

**United States Foreign Assistance  
Oral History Program**

**Foreign Affairs Oral History Collection**

An Interview with

AARON BENJAMIN

1996

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.

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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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**KEY WORDS**  
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Bolivia  
Cooley Loan Program  
disaster assistance program  
Dominican Republic  
Ecuador  
Egypt  
Home Loan Bank Board  
housing guarantee program  
Housing and Urban Development Officer  
Indian population  
micro-business programs  
National Urban Assessment  
Nicaragua  
non-governmental organizations (NGOs)  
Peace Corps  
Peru  
reconstruction program  
savings and loan system  
Stabilized Adobe program  
West Africa

**United States Foreign Assistance Oral History Program  
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An interview with  
Aaron Benjamin

Interviewed by Charles Christian  
Initial interview date: May 15, 1996

*Q: When did you retire from AID?*

BENJAMIN: I retired from AID in 1989 at the end of November after almost 23 years.

*Q: Okay. Let's begin with some of your earlier background, Aaron. Where you came from ...*

**Early years and education**

BENJAMIN: Well, I'll start with my age if you like. I was born on March 21, 1932 in New York city; I'm the oldest of four children. I went to school in New York city, high school and college- Brooklyn College; which is part of the City college system. I studied city planning. Actually, I was always interested in architecture, but I ran into a very persuasive professor who convinced me that city planning would be much more interesting and much more comprehensive than architecture would be. So I started the program, found that it was what I wanted and graduated in 1954 from Brooklyn college as an urban planner.

After that, I took a job with the City of New York's Board of Standards and Appeals, which is actually the Board of Zoning Adjustment. My job was to review applications for zoning variances. It was certainly a very good entry point to get into the field of city planning and learn from the ground up. During that two year period right after I started work, I enrolled in a graduate program at Columbia University's Department of Urban Design in the School of Architecture. I attended for almost a year, and then went on to Pratt Institute's School of Architecture to take a few more courses in urban design and planning. Eventually, I entered a graduate program at New York University's Graduate School of Public Administration and earned a Master's Degree in urban planning in 1959. After two years of working for New York City, I took an examination by mail for the County of Contra Costa in California near San Francisco for a job as an urban planner, I passed the exam and was offered a position which I accepted. I started working for Contra Costa County during the summer of 1956.

**Work as an urban planner**

*Q: This was out in California?*

BENJAMIN: Yes, near San Francisco. As an assistant planner for Contra Costa County, I had the opportunity to work on master planning and subdivision programs as well as zoning. After two years, I was offered an apprentice level job in urban planning with the London County Council in England. I took a leave of absence from my job in California and went off to Europe to spend a year. However, before reporting to work, I visited Switzerland, and as luck would have it, I was offered a job with the city of Zurich in the urban planning division of the city's building department. With permission of the London County Council, I took the job in Switzerland. While there, I did some interesting work in traffic and land use studies. After about eight months, I decided that it was time to go back to the United States. I had taken a year's leave of absence, and time was running out.

*Q: It wasn't exactly the third world, but it gave you a lot of international experience.*

BENJAMIN: Yes, I was doing detailed planning work, and it gave me my first international working experience. After some touring in Europe, I sailed back to the United States. I arrived in New York City and was about to start back to California when a colleague of mine told me about an exciting and innovative urban renewal program in the City of New York that was being managed by the architectural firm of Skidmore, Owings, and Merrill, as a consultant to the City. He suggested that I try to get something with the firm. Well, I went for an interview and was offered a job that I couldn't resist. So that's how I got involved in the city's urban renewal program and worked on several very interesting projects like Lincoln Center for the Performing Arts. There must have been about 50 urban renewal projects going on, including institutional, commercial and residential development.

*Q: This was the mid 1950s?*

BENJAMIN: It was 1958. I spent two years with that firm doing very interesting projects, and in 1960, moved over to the city administration, which had set up a new agency to do urban renewal projects, called the Housing and Redevelopment Board. Prior to that, the program was handled by the Mayor's Ad Hoc Committee on Slum Clearance, headed by Robert Moses, who was very well known in those years as the City's Construction Coordinator and Park Commissioner.

Anyway, I joined the new city agency and stayed there for about five years. I was then asked to become the Urban Planning and Development Director for the City of Elizabeth, New Jersey, which was just across the river from New York City. It was a center of oil refining for Esso and also had a large sea-land port container operation. Elizabeth was a relatively small town with a population of 110,000 but it was interesting from the point of view of its industrial development.

I was on that job for about a year when I got a call from somebody in Washington who asked me if I was interested in going to Bolivia for a month to do some work on Bolivia's fledgling savings and loan system. I said wait a minute, this must be a joke. Bolivia's savings and loan system? I said, who are you? He said he was Harold Robinson Deputy Director of Housing and Urban Development for AID in Washington.

### **First AID assignment in Bolivia - 1966**

*Q: How did they get your name?*

BENJAMIN: Well, they got my name through a non profit organization called the Cooperative Housing Foundation. It was then known as the Foundation for Cooperative Housing (FCH). The organization served as consultants to AID in the field of housing and urban planning. Two years before, they had invited me to take a short assignment in Argentina. Unfortunately, I couldn't do it because I was tied up with my job in New York and I couldn't get away.

*Q: You and Robert Moses were handling New York's problems . . .*

BENJAMIN: Although not quite on the same level. Apparently FCH had kept my resume and had eventually given it to Harold Robinson. As I mentioned, Harold called me and asked if I would be interested in going to Bolivia. I had never met him or talked with him before and was a little apprehensive, but I was certainly anxious to explore the possibility, so I went down to Washington, where he told me about the assignment. After our discussion, I was absolutely raring to go.

*Q: This was about 1961-62?*

BENJAMIN: No, it was November of 1966. I had already put in about five years in the city of New York and Elizabeth. I got permission from the Mayor of Elizabeth to take off a month and go down to Bolivia on a TDY. My wife and I went down together. The specific assignment was to prepare a Capital Assistance Paper and Loan Agreement for the first loan to be made to the Caja Central, the Central Bank for Savings and Loan activities in Bolivia. There had already been created, with the help of the Bolivian AID Mission, a single savings and loan association, and the AID Mission was interested in establishing more. The Mission also wanted to create an organization like the Home Loan Bank Board that monitors the savings and loan system in the United States. I completed the loan paper and loan agreement, which were well-received by both the Mission and the Washington office. As a result, I was invited to join AID to serve a two year tour in Bolivia. My wife and I talked about it and decided that it would be a wonderful opportunity for us. We had no children yet, and were therefore very adaptable.

*Q: It is fortunate that she had taken the trip with you on the short term assignment.*

BENJAMIN: Yes, so there would be no surprises. In any event, we went down to Bolivia and settled in, but we really did not know what to expect. Bolivia was a fascinating, exciting place. Imagine landing at an altitude of 13,000 feet. The airport terminal was a tiny building with a roaring fire going in the fireplace. We were struck by the exotically dressed indigenous people from the Altiplano who were walking around the airport grounds with their llamas in tow.

*Q: Did it take you a little while to adjust to the altitude ?*

BENJAMIN: Interestingly enough, we didn't feel anything initially. We went everywhere and there seemed to be no strain whatsoever.

*Q: You were young then.*

BENJAMIN: Maybe that was it. But after a while, we did experience unusual phenomena. For example, in the middle of the night I would wake up short of breath and feeling flushed. I was told that this was "siroche", or altitude sickness, and that it only takes about three months to get used to it. What happens is that the body needs to build up an additional supply of red corpuscles so that it can absorb more oxygen from the air.

As for my assignment, I immediately got down to work. My major duties were to monitor the Caja Central loan; provide technical assistance to the Savings and Loan System, monitor the Housing Guaranty Program (three projects) and a Cooley Loan financed housing project promote a feasibility study for the construction industry; and monitor the Credit Union System, which had 150 branches, 50,000 members and 4 million dollars in savings. It sounds remarkable, but it was one of the most impressive community level credit systems that I ever encountered. In any event, I settled in to my major task and started working with the savings and loan system, helping to develop several branches around the country, and to strengthen the Caja Central de Ahorro y Prestamo.

In addition to regulating the Savings and Loan Associations, one of the major functions of the Caja Central was to secure financing from overseas and channel it down to the local S and Ls so they could start the process of lending for home purchase, home improvement and home construction. It was quite interesting, because in countries like Bolivia there had been no such thing as a long-term mortgage. At best, somebody who had some resources could go to a commercial bank and possibly obtain a loan for two or three years, although usually at an exorbitant rate of interest, to build or buy a house. But this program was designed to enable people, particularly middle and lower middle class, to obtain a long term loan at a reasonable rate of interest. Frankly, this program had a political objective in addition to the traditional development objectives. It was felt that it would be important, at least from a political point of view, for people to acquire land, build a house and develop, a real stake in the community, thereby, becoming true middle class citizens with all of the responsibilities, obligations and rights that accrue in a stable democratic society.

*Q: Was there a separate Ministry for this activity?*

BENJAMIN: Yes, there was a separate Ministry of Housing, but it was only indirectly involved, as guarantor of international loans secured by the Caja Central.

*Q: So you worked directly with this bank?*

BENJAMIN: Yes, I worked directly with the Caja Central but I also spent time with the Associations. My counterpart was the head of the Caja Central- Ernesto Wende.

*Q: Did you find those people to be very cooperative?*

BENJAMIN: Absolutely, as well as capable, intelligent and enthusiastic.

*Q: So they were educated folks?*

BENJAMIN: Oh yes, in fact, Ernesto Wende was educated in the United States. He also worked for AID when he was younger. He was from the eastern part of Bolivia, and at some point migrated to La Paz. He subsequently went to the United States, came back to Bolivia, and eventually wound up getting a job with AID. After leaving AID, he established Bolivia's first Savings and Loan Association.

In addition to the savings and loan program, as I previously mentioned, I was involved in other activities like the housing guarantee program, which provided U.S. Government guarantees to American investors, i.e. banks, labor unions, and insurance companies, that loaned money for housing programs in developing countries. The interesting thing about this program is that it didn't cost the U.S. government any money, but actually earned money by charging an administrative fee that paid for the Washington operation of the program as well as the field costs. It earned about 1% which was enough to pay the expenses. The only appropriation that Congress had to authorize for this program was a very small reserve fund just in case there were defaults,

*Q: But you didn't experience any defaults?*

BENJAMIN: No, none during my tour of duty.

*Q: That's terrific. How many years did you spend there?*

BENJAMIN: I spent two years in Bolivia. But I also worked on the housing guarantee program in virtually all of the countries in which I served and did not experience any defaults.

*Q: Oh, I see.*

BENJAMIN: I also worked with the Peace Corps in helping to set up a vocational school for the construction industry. AID provided a grant to a local non profit organization to set up a vocational school that taught construction trades -i.e. carpentry, masonry, plumbing and electrical wiring. The teaching staff consisted of 8 Peace Corps Volunteers and 4 Bolivian technicians. 30 students attended the school. This project was an excellent example of cooperation between AID and the Peace Corps.

Another related program funded by AID was a feasibility study for the construction industry. All of these activities were linked with the fledgling housing program that was financially supported by the savings and loan system and the housing guaranty program. Housing was a very significant component of the Development Program in Bolivia. Even the IDB was also actively involved in promoting low income housing in Bolivia in those days.

*Q: Did AID have a big presence there in Bolivia at that time?*

BENJAMIN: AID had a mission of about 25 direct hire Americans plus at least that many Bolivian employees. That was an interesting time to be in Bolivia. I was witness to a change in the essential nature of the AID Program. Congress had determined that AID's focus should change from major infrastructure--roads, electricity and major agricultural reform to a "Basic Human Needs" approach, emphasizing health, education, population and public administration programs, among others.

*Q: And you said that Peace Corps had a presence?*

BENJAMIN: A large one . . .

*Q: throughout the country I guess, not only in La Paz?*

BENJAMIN: Yes. There were many programs located throughout the country, but I was most familiar with the Vocational School Project in La Paz, since it was related to the construction industry.

Your mentioning the rest of the country brings to mind the many adventures that I had in Bolivia. If you like, I'll take a moment to tell you about some of them.

*Q: Certainly . . .*

BENJAMIN: On one vacation trip, we were out on the Brazilian border, traveling on a major tributary of the Amazon on a little 10 passenger paddle-wheeler. We saw many wonders of the Amazon, including giant anacondas, river dolphin and giant catfish, by taking some canoe trips here and there on little tributaries off the main river. On one of these trips, in the afternoon, we got lost and couldn't find our way back to our mother ship. Night fell and we were hopelessly

lost. We kept firing rifle shots to signal our location, and after about 6 hours of drifting around, they finally found us.

There was a lot of excitement on that trip. The last night of the river trip at a party on board the boat, my wife dislocated her knee cap, while dancing. Fortunately, the captain of the ship had some medical training and was able to pop it back into place. We all flew out the next day on a small plane to the town of Trinidad, where the knee was set in a cast by a local doctor. We stayed the night in Trinidad, and then boarded the plane the next day, bound for Cochabamba and La Paz. Unfortunately, our DC-3 went down shortly after take off from the town of Trinidad. One engine failed without any warning and a moment later, the other one died. Amazingly, we just glided down and made a soft landing in swamp.

*Q: Your DC-3 must have just have bellied in . .*

BENJAMIN: Yes, we just glided in like a kite. It was a very soft landing. All of the passengers, (except for my wife who had to be carried off because of her cast) walked away from the crash without injury. On leaving the plane, we saw that the wings and the engines had been sheared off. We were rescued and taken back to Trinidad on horseback and jeeps. When we returned to the airport, we asked about the next plane to Cochabamba and La Paz, and were told we'd have to wait until the next day. We asked the airline manager if the company was going to pay for the night's lodging. He said No, adding "You're lucky to be alive. What more do you want?." This response was characteristic of the fatalistic attitude of the people who lived in that part of the country. Apparently, such accidents were not extraordinary.

In our travels through this part of the country, we saw everything from sugar growing to cattle raising, logging and tanning. It was interesting to witness the ingenuity that people used to sustain themselves.

*Q: Lot of beef cattle there?*

BENJAMIN: Yes, there were large cattle ranches near Santa Cruz, located toward the center of the country.

Another time, when we went to attend the inauguration of a savings and loan association on the Argentine border, in a town called Tarija. We drove down; and the trip took about three days, over terrible roads. The U.S. Ambassador, Douglas Henderson, was scheduled to travel with President Barrientos, in the President's plane, to be present at the ceremony.

As the advance party, we had arrived a couple of days before and had made all sorts of preparations for the big event. For example, working with the leader of the local army band and a guitar, I had taught the band how to play the Star Spangled Banner, in honor of the U.S. Ambassador. The conductor scored it for his 30 piece army band, and they were all out at the

airport at 6 A.M., in uniform, with their instruments, ready to play. The plane landed, but unfortunately, the Ambassador did not show up. Apparently, he and the President were not getting along well that day.

*Q: Oh, goodness . . .*

BENJAMIN: Anyway, the door opened, the President came out alone, and the band started playing the Star Spangled Banner.

*Q: Did he appreciate that?*

BENJAMIN: Well, he was a good sport and had a good sense of humor.

*Q: They had picked up a new piece of music .*

BENJAMIN: Anyway he was nice enough to offer us a ride back to La Paz in his plane, which he flew himself. It was not pressurized, and we had to go above 20,000 feet to get over the peaks, so you can imagine what that was like. I don't remember if the plane was a DC-3 or DC-7.

It seemed that in Bolivia, we had a new adventure everyday. We spent about two years, there and had a wonderful tour.

*Q: and had an interesting personal life as well as professional.*

BENJAMIN: In addition to the satisfaction that came with professional accomplishments, we had a wonderful personal life seeing exotic places and meeting fascinating people. Bolivia was the kind of place that produces and attracts rugged individualists, renaissance men and adventurers. Bolivia will remain etched in our memories since it was our first long term tour in a truly "different" place, and perhaps most significantly, because our first child was born in La Paz in a small missionary clinic. I was en route home, after attending a conference in the Dominican Republic, when I received news that my wife had given birth to a baby girl. The proud father arrived 24 hours after the blessed event.

It's still hard to imagine, a savings and loan system with seven associations and a central bank in Bolivia, especially when you go up to the Altiplano, where the rural culture and indigenous civilization seem to be centuries behind us,

*Q: Centuries?*

BENJAMIN: Yes, Centuries.

*Q: It is a land-locked country too, I believe.*

BENJAMIN: It is. Bolivia has always been fighting with Chile, to secure access to the sea. Bolivians even have a special holiday every year when they proclaim their right to access to the sea.

*Q: The Indian population there, is that predominant?*

BENJAMIN: The Indian population there is absolutely predominant, and the Indian's life on the altiplano (the high plain) is particularly severe. The climate is cold, he lives in a mud hut, weaves his own clothing from llama wool, and grows his own food, mainly potatoes. His life is a constant struggle for survival.

*Q: So they're small scale farmers?*

BENJAMIN: Yes, but production is at subsistence level. The land is virtually barren, since it is way above the timberline.

Bolivia is a country of contrasts. Just outside of La Paz you can drop 4,000 feet in the space of two hours, to the so-called "jungas" filled with hot steamy tropical rainforests. Bolivia also has a gold mining area called Tipuani, in the same region. To reach this area, you wind your way down the mountain, driving on some very steep grades. But then in contrast, if you go five or six hours by car traveling east down the eastern slope of the Andes, you'll reach Cochabamba, which is in a temperate, zone at an altitude of 6,000 feet. Cochabamba has more abundant agricultural production and is a more prosperous community than you will find in most of Bolivia.

*Q: What is the population of Bolivia?*

BENJAMIN: I think in those days it was something like 3 million. There are two capitals. One is La Paz, the commercial center, where virtually all major business and international activities take place, the other is Sucre, the political capital, about 250 miles away, across the mountains. Then you have several other important cities, Cochabamba, which I mentioned before is about seven hours by car, over tough terrain from La Paz. In the central part of the country, you have Santa Cruz, the cattle raising center, which also produces natural gas and rice. It was in Santa Cruz, that I came across one of the most imaginative applications of appropriate technology: construction panels made of cement mixed with the hulls of rice, to give the panels strength and flexibility. Further to the east, are several small communities including Trinidad and Riberalta which produce timber, leather and beef. In the South on the Argentine border, you have Tarija, which is probably more Argentine than Bolivian since virtually all of its contacts, commercial and otherwise, are with Argentina rather than the rest of Bolivia.

*Q: Everything seems quite spread out with the mountains dividing major sections of the country.*

BENJAMIN: Yes. Everything is pretty well spread out. One of the thoughts that comes to mind when I talk about Bolivia being spread out is that it has common borders with several other countries and is centrally located in South America. You may recall that the famous Che Guevara decided to choose Bolivia as the staging point for his South American operations, probably because it has so many common borders.

*Q: Sort of the body of the octopus?*

BENJAMIN: Yes. However, there was something he didn't count on, In 1952, Bolivia had a revolution, and land tenure for the peasants was established, each peasant receiving his land title. So Che Guevara had nothing to sell to them. He could not promote his political views and simply antagonized them, to the point where they turned him in to the army- and that was the end of Che Guevara's career.

*Q: So, Bolivia had quite a role in stunting communism, perhaps?*

BENJAMIN: Well, at least in South America.

*Q: On the program side, how was your support financially from AID Washington and were there other types of support forthcoming?*

BENJAMIN: AID Washington support, financial technical and administrative was generally adequate, though problems often came when a program was initiated and support was not sustained. However, we managed to solve our problems through creative financing. I can give you a little anecdote that will show you how we were able to tap other funds when we ran short. In the case of housing, the AID mission was quite anxious to set up the savings and loan system, and committed, at least in principle something like 5 million dollars in grant funding for the program over a three year period. As it turns out, funds ran short and they could only come up with a million and one half dollars to meet the commitment. What occurred to me, was the use of the housing guarantee program to support the savings and loan system. Heretofore, the guaranty program was exclusively used to finance discreet, individual projects, each with a specific number of new houses, designated in advance of project construction. We were able to convince AID-Washington and some potential investors to let us use some of the guarantee funding to provide seed capital for the savings and loan associations, enabling them to fund individual homes or projects as they saw fit. So we were able to use the housing guarantee funding in lieu of grant or loan funding from AID. This approach solved the shortfall problem that we were facing and ultimately became the model for future use of HG funding.

*Q: I see. Do I understand that your activity was part of AID's Regional Housing and Urban Development office or was it separate?*

BENJAMIN: Any program decisions or commitments regarding the Housing Guaranty Program required the concurrence of the Regional Housing and Urban Development Office (RHUDD) and or the Washington Housing and Development Office. With respect to all other programs, I reported exclusively to the AID Mission in each country.

*Q: You mean that you were directly responsible to the Mission and not to the Regional Housing and Urban Development Office?*

BENJAMIN: That's correct. The Regional Housing and Urban Development Offices had just been established in the early '70s. I started my work in 1967, working directly for the Latin American Bureau, through the AID Mission in Bolivia. I was already stationed in Peru when the first RHUDD South American Regional Office was established in Argentina. Our relationship was collaborative, but I was still reported ultimately to the individual country Mission.

*Q: Which is typical of RHUDD and AID relationships in many places.*

BENJAMIN: I believe that it varies with the country. In my own case, although my job title and backstop classification had always been Housing and Urban Development Officer, the same designation used by the AID Housing Office, I had always been recruited by and worked for individual Missions. It was only toward the end of my career, when I came back to Washington, in 1986, that I was assigned to the Housing Office because of my title and backstop classification.

*Q: Oh, I see.*

BENJAMIN: I strongly believe that the most effective strategy for helping to alleviate the housing shortage in Bolivia was to strengthen credit institutions i.e. Savings and Loans, enabling them to promote local savings, finance housing, and stimulate the construction industry. These activities proved especially successful when coupled with manpower training and employment generation activities.

### **Transfer to Ecuador as Housing and Urban Development officer - 1969**

*Q: I see. After Bolivia what came next?*

BENJAMIN: Well there is an interesting anecdote at the end, too. I left Bolivia on home leave in July of 1969 after two years, and I was scheduled to return for a second tour. We left on home leave along with our new born daughter, all set to come back. As it turns out, that summer, the government decided to expropriate the Gulf Oil Company facilities in Santa Cruz. The State Department announced that all State Department or AID employees who were back in the United States would not be permitted to go back to Bolivia at that time. I wound up staying in Washington until November or so. I was told at that point that I was going to get

another assignment. I remained in Washington until my assignment to Ecuador in January of 1970 as the Housing and Urban Development Officer with essentially the same kinds of program responsibilities that I had in Bolivia, including the Savings and Loan System and the Housing Guaranty Program. Ecuador already had a Savings and Loan System with several branches and instead of a central bank for savings and loan, it was the government's Housing Agency that managed the savings and loan system. I was able to secure some direct funding, technical assistance, and another six million dollar guaranteed loan for the savings and loan system from a consortium of 19 Savings and Loan Associations in Pittsburgh. This was about the time when the U.S. Congress authorized U.S. Savings and Loans to invest up to 1% of their reserves in the HG Program. I spent two years, helping the Ecuadoreans to operate the program. They had excellent people, and had a branch in virtually every major city, including Guayaquil, Cuenca, and Quito. The Ecuadorean S and L System was very impressive, consisting of 10 Associations, with 33,000 members. It had financed a total of 3,600 homes in a 4 year period, roughly between 1968 and 1972.

I was also able to secure a 5 million dollar loan for low-income housing and used this program to promote the "Piso-Techo" concept, that is the construction of a simple core house that could be expanded as family resources increased.

I also got involved in the upgrading of slum neighborhoods called "Barrios Sub-Urbanos" in Guayaquil, a major port city on the Pacific coast. These were squatter settlements that had no streets and were occupied by wooden shacks that had no water, sewers, or electricity. Our programs brought in utilities and a home improvement loan program to help residents upgrade their housing. We also promoted a micro-business program to help them get a start economically by channeling a \$250,000 loan through the Ecuadorean Development Foundation. The Barrio upgrading program was generally successful.

I managed two Housing Guaranty Projects in Guayaquil, one of which was particularly interesting. It consisted of 200 units for lower-middle-class families right in the middle of a large marginal neighborhood. This HG project was managed by a savings and loan branch that was located in the project. It had the effect of promoting the upgrading of homes in the neighborhood outside of the boundaries of the project. We tried everything that we knew to facilitate the upgrading process and those efforts really worked out very well.

*Q: What were the relationships with the Embassy and AID? Were they reasonably good?*

BENJAMIN: They were good and very productive. For example, we had Embassy economists and other support staff working very closely with us.

*Q: I never served in Latin America, but I always understood that the Embassies worked more closely with the AID Missions in that region than in other places.*

BENJAMIN: Speaking from my own experience, we have always had a positive and cooperative working relationship with Embassy personnel.

Q: You had good Ambassadors while you were there?

BENJAMIN: I had good Ambassadors in all the posts in which I have served. They proved to be supportive of our programs, and were always ready to help us to achieve our development objectives.

I would like to describe another particularly interesting program in which I was involved. This was a program of architectural preservation in which we worked very closely with the Mayor of Quito, Sixto Duran Ballen. He was himself an architect who eventually went on to become the President of Ecuador.

Quito, with its hundreds of old colonial Spanish structures is virtually a museum. Although AID itself did not finance the restoration of any of these buildings, (this was done by the OAS), we did help by providing some technical assistance for the program.

*Q: There again, you were in a high altitude country, though not as high as Bolivia.*

BENJAMIN: Quito is located at an altitude of 9,200 feet, not quite as high as the city of La Paz, Bolivia which is at 12,000 feet.

*Q: So you were down at sea level almost?*

BENJAMIN: Not quite, but moving downhill fast.

*Q: Did you take that train trip across the top of the world in Ecuador.*

BENJAMIN: You mean down through Guayaquil. No we didn't, unfortunately, although we drove that route several times. However, we did visit the Galapagos and thoroughly enjoyed that trip.

*Q: I was wondering about that. It would be a sin if that wasn't a part of your foreign service experience once you were so close. The programs went pretty well there?*

BENJAMIN: The programs went very well. We produced a lot of good housing, for both middle and low income families. We helped to create one of the best Savings and Loan Systems in Latin America. We also initiated a unique program of upgrading marginal neighborhoods through the combination of core housing, home improvement, provision of basic services, credit for micro business, vocational training, and the use of the Savings and Loan Association to administer loans in these low income neighborhoods. In fact, this comprehensive approach

became AID's major tool in subsequent years for dealing with problems of shelter for the urban poor. Rather than following the traditional expensive housing project model, we emphasized the more economical core house and the upgrading of marginal neighborhoods, which proved to be a speedier and a much more economical solution.

*Q: AID was throughout the country or in a few major cities like Quito and Guayaquil?*

BENJAMIN: We had major housing and Savings and Loan Programs in Quito and in Guayaquil, and we did some work in Cuenca, which was a city to the south. Guayaquil was an important commercial city of about 600,000. Quito, high in the mountains, was the institutional capital, also with a population of about 600,000 - 700,000. Cuenca the third largest, city a center of handicrafts, had a population of was about 30,000. The AID program encompassed a variety of projects including education, health, agriculture and small business in communities of all sizes throughout the country.

*Q: Now how many years did you spend there?*

BENJAMIN: Two years. I was privileged to have received a special commendation from the Municipality of Quito for my efforts on behalf of that city.

### **Reconstruction program in Peru - 1972**

*Q: Then where did you proceed on your next assignment?*

BENJAMIN: From Quito, I was assigned to Peru in the summer of 1972 to work on the reconstruction program for a major earthquake that hit at the end of 1971.

*Q: You had a home leave, I guess after Ecuador?*

BENJAMIN: Yes. I took home leave in July of 1972 and then proceeded on to Peru. The earthquake took place in the north, in a valley called the Collagen de Hulas, located about 150 miles up the coast from Lima and about 50 miles to the east of Tragal. To illustrate the force of this earthquake, it literally sheared off the peak of Mount Huascarán, causing an avalanche which slid down the side of the mountain into the nearby town of Yungay completely covering the town. In pictures, you can see the tops of palm trees which were about 30 feet high. All that remained visible was the top 5 feet of these palm trees. The town was completely buried in ashes and rock.

Steve Tripp, who headed the AID Disaster Assistance Office, recently completed a memoir, which describes the disaster in detail. I provided some pictures for the document.

Other towns that were affected were Trujillo, with a population of 100,000 on the coast, and Chimbote, a town of about 60,000, also on the coast.

Most of my work in the time that I spent in Peru had to do with housing reconstruction in the two cities on the coast and the rural areas up in the mountains. We secured a \$15 million loan and a 28 million HG to meet the housing needs of the 1970 earthquake.

In the rural areas, both on the coast and in the mountains, we had the opportunity to do something distinct from the traditional guarantee and loan funded housing programs. We worked with the Engineering University in Lima to come up with what we called the Stabilized Adobe program. Adobe was the traditional building material. Together, we devised a system wherein the traditional adobe was mixed with asphalt or road oil, which made the adobe mix waterproof. Then we helped the campesinos (rural farmers) develop a formica lined wooden form for casting the adobe blocks. The adobe block came out with a surface that was as smooth as glass. This was helpful because when adobe blocks have nicks and chips, they tend to erode very quickly, particularly when they get wet. Also, to help the self help builders avoid the traumatic effects of earthquakes, we taught them to reinforce the adobe block walls. Using an empty tin can, they cut a round hole in each block before stacking them, and then put a cane pole, two inches in diameter, through the hole in the stacked blocks. In this way the cane pole served as a reinforcing rod. The Bureau of Standards tested this system on a vibrating table and the results showed that this reinforcement which costs virtually nothing, was about 19 times more earthquake resistant than unreinforced adobe. That was an interesting innovation.

*Q: It certainly was.*

BENJAMIN: Another thing was that, traditionally, rural people would use home made Spanish tiles for roofing. They were very heavy and caused a lot of damage during an earthquake. We were interested in designing a lightweight roofing system as a substitute for the heavy tiles. So, we devised a method whereby we took bamboo poles, about 2 inches in diameter, laid them out and wired them up in 3 feet square panels, built a basic flat roof structure, laid out the bamboo mats, then covered the mats with 1/4 inch of this stabilized adobe mix. In this way, the roof became waterproof and so light that if it was shaken and ripped off it would cause virtually no damage. I received a great deal of satisfaction in meeting these challenges with alternative construction techniques and materials. The major lesson learned through these activities was that the answer to economical, effective building solutions in developing countries is to use traditional methods and materials, but improve upon them.

*Q: Did you have a staff?*

BENJAMIN: I had one assistant, a Peruvian civil engineer and a secretary, but I worked closely with the staffs of the Housing Bank, the local Savings and Loan Associations and the Department of Engineering of the University of Lima.

*Q: Highly qualified?*

BENJAMIN: Absolutely. My assistant had a Master's Degree in Civil Engineering and many years of experience. Actually, most of the technicians from the local institutions had Bachelor's and Master's Degrees in architecture and engineering.

*Q: Now, you were in Lima, the capital?*

BENJAMIN: Yes, my office and home were in Lima. but my projects for the most part were in the north.

*Q: This raises the question, did you receive or did you already have Spanish capability? Did you receive Spanish training?*

BENJAMIN: I had studied Spanish in high school and college. However, when I went to Bolivia, I was not at all proficient, though, after a couple of years in Bolivia, taking advantage of the Mission's language program and through daily contact with native spanish speakers, I learned to speak, read and write Spanish fairly well.

*Q: Did you receive training at the mission?*

BENJAMIN: I took Spanish language training at all of my Latin American posts until I reached a level of 3+.

*Q: I would think that working closely with your counterparts that you would almost need Spanish capabilities.*

BENJAMIN: It was absolutely necessary to work effectively.

*Q: Do you feel AID could have done better in that regard, in preparing you before your first mission?*

BENJAMIN: No, not really. I believe that to learn a language effectively, you must be immersed in it, preferably in a Spanish speaking country, as in my own case. You really have to be in contact on a daily basis with people who don't know English.

*Q: So you were studying Spanish as you went along on your first assignment?*

BENJAMIN: Yes, absolutely.

Returning to the program, in Peru, AID developed a very strong housing guarantee program in Lima and I was involved in that, but it was the reconstruction programs in the northern cities that took up most of my time.

*Q: Now who was your backstop in Washington on the housing guarantee program?*

BENJAMIN: We had a Washington based housing office in those days which was headed by Stanley Baruch. Harold Robinson was deputy director for loan and grant funded projects and Peter Kimm was deputy for Housing Guaranty Projects. Juan Cabrero, an engineer in that office, was specifically backstopping the Peruvian Housing Guaranty projects and I was backstopped by Harold Robinson on everything else

*Q: ...the man that first recruited you.*

BENJAMIN: Yes,

*Q: I remember those names.*

BENJAMIN: Peter Kimm eventually became Director of the Housing Office, which was expanded in the early 1970s to become the world wide RHUDO system, eventually absorbing urban planning and many of the functions of Bill Miner's office over in Central AID. It has since been further enlarged to include environmental and municipal development programs.

*Q: You generally worked through the Bureau, I guess at least the mission did.*

BENJAMIN: Yes, except with regard to the housing guarantee programs

*Q: In these first three missions that you have mentioned, did you consider all of the project activity successful or were there areas of weakness that could have been improved if they had additional agreement support or any ingredients added? You may want to think about that and feed that in.*

BENJAMIN: My general feeling was that I couldn't have gotten better support from the mission as well as from Washington, although a lot had to do with one's own initiative. In Bolivia for example, I managed a small housing project that was financed by the Cooley Loan Program. Do you remember that? That program came out of grain sales, and was probably a forerunner of PL-480.

*Q: Right.*

BENJAMIN: This program was promoted initially by a grain producer in the mid-west. I believe that his name was Garvey. The proceeds from the grain sales were used to finance development programs, and under the Cooley Loan Program in Bolivia, we were able to do a housing project. Housing wasn't the most popular program in the AID portfolio, so we always had to develop creative sources of funding.

*Q: That worked well for your local currency support.*

BENJAMIN: It worked very well thanks to good contacts in the private sector and some imagination. What helped especially was a piece of legislation in the early 70s that permitted U.S. Savings and Loan Associations to invest up to 1% of their reserves in the Housing Guaranty Program overseas. The Housing Guaranty Program generally opened doors to banks and a large variety of financing organizations in the United States. I used to spend a lot of time when I was on home leave, promoting investment by these organizations in housing programs.

A particularly good contact was Harold Tweedy, who was the head of the First Federal Savings and Loan Association of Pittsburgh. He had enough faith in the program to invest 3.5 million dollars in the Bolivian Housing Guaranty Program and later agreed to invest six million dollars in the Ecuador program through a consortium consisting of 19 Savings and Loan Associations in the U.S.

*Q: What I hear from you is that the private sector in the U.S. and in these developing countries were very effective and played a significant role in your programs.*

BENJAMIN: Yes. Both in Bolivia and Ecuador the Savings and Loan System, for all intents and purposes, was private and though the Government did not provide it with any direct financing, the Enabling Legislation that authorized its creation provided a government guaranty for its investments. This made it possible for both systems to develop an international contractual relationship with A.I.D. through their respective governments.

#### **Reconstruction program in Nicaragua - 1974**

*Q: You finished a two year tour in Peru.*

BENJAMIN: It was a little less actually, but it was a very productive tour, not only from the programmatic aspect, but also because our son was born in Lima, at the end of September, shortly after we arrived there.

I think it was at the beginning of 1974, that I got a call from Nicaragua, which had suffered a major earthquake in December of 1972. Apparently, several major fault lines converged right in the center of the old downtown of Managua, the capital city, and with the earthquake, it was literally wiped away. I was invited to come up there to get involved in their reconstruction program and was pleased to accept considering the enormous challenge.

*Q: That was a real challenge for our disaster assistance program as I remember.*

BENJAMIN: Yes it was. OFDA did a tremendous job during the first year after the earthquake, providing emergency assistance, tents, medicine, etc. I went up to Nicaragua in February of

1974, and immediately got involved in several programs. One was called Las Americas, a project to convert 11,000 temporary shelters into permanent homes. These were wooden shacks that were built in three months. We developed a program to make these houses permanent over a three year period. The first stage was to put in utilities, water, sewer, electricity, and so on; the second stage was to put in a cement floor over the dirt floor of each dwelling. Next, we put in pre-fabricated sanitary units, with built in shower and sink just outside of the shelters, replacing the latrines outback.

The next step, was to build three rows of cinder blocks at ground level, around the perimeter of each house cementing the blocks to the cement floor. At the same time, at intervals of one meter, we installed foundations. These consisted of a steel angle attached to a cinder block. We planted these foundations in the ground and attached them to the block walls.

Except when the cement floors were being poured, the family was able to continue living in the house while the construction was going on. Eventually, the rows of cinder blocks were built up to window level, the roof was replaced, and rooms were added.

During this three-year period, schools, day care and health centers were built in each neighborhood, as well as factories and vocational training centers within walking distance or a short bus ride from the project to provide vital sources of employment for project residents. We had, in the space of three years, converted a community of 11,000 temporary shacks built to respond to the emergency needs of the earthquake into a community of about 8,000 permanent homes served by a complete array of services and community facilities.

*Q: This was a program that was expedited I would assume. There was a lot of pressure to move quickly on this one.*

BENJAMIN: Oh yes, absolutely.

*Q: It was well funded I would assume.*

BENJAMIN: Yes, a \$3 million grant was provided at the emergency phase to build the temporary houses, and was followed up by a \$15 million loan for their conversion into permanent housing and services. Incidentally, another \$15 million was provided in Housing Guaranty Authorization for middle-income housing. Apart from housing programs, another \$30 million loan was provided for general reconstruction, which included the construction of schools, hospitals and public offices. Also, low cost financing was provided for water and sewer connections in pre existing low income neighborhoods.

Most of the new facilities were built in three distinct satellite centers, seven kilometers from the old center, away from the fault lines, in the vicinity of the new housing projects that I described previously. Each of these centers was to have major shopping and office facilities and were to

be connected by ring roads similar to our Washington D.C. Beltway System. Three ring roads were planned which would be intersected at critical intervals by radial roads, coming out of the center of the city. To serve the technical needs of the reconstruction project, I was responsible for the recruitment and management of about 50 expert consultants, including architects, engineers, urban planners, economists, sociologists et. al.

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that was the nature of our reconstruction program. I must say that although the plan that I just described was supported by the AID Mission, the Nicaraguan Government and most of the private sector, it was subject to a lot of criticism. There were many interests that wanted to return to the status quo and rebuild back in the old downtown, right on the concentration of fault lines that had caused such horrific damage in the first place.

*Q: These satellite centers were out in the suburbs?*

BENJAMIN: Yes. They were about seven kilometers away from the old center. We had hoped that eventually the old center would be cleaned up and redeveloped with recreational facilities and parks, but under no circumstances rebuilt to the same degree of high density as before. Remember, 10,000 people died in that earthquake; and virtually all of the deaths took place in the old downtown area.

*Q: That is a tremendous number.*

BENJAMIN: Especially in a town with a population of only 250,000

*Q: Did they end up with parks in the center of town after that, or did they build back up?*

BENJAMIN: No, unfortunately, at least to the best of my knowledge, the center has not yet been rebuilt at all. Efforts have been stymied because of the political turmoil that has taken place over the years in Nicaragua. I left Nicaragua after about four and one half years in July of 1978, when the Sandinista invasion of the capital city took place. The Sandinistas ran the government for several years, which period was characterized by counter revolutionary activities and economic deprivation. There were great hopes for an economic resurgence with the advent of free elections a few years ago, but regrettably thus far, no major changes for the better have taken place.

*Q: I assume under the type of government they had down there before the Sandinistas, the full support of the country was available for the relief programs?*

BENJAMIN: Yes. The government pledged all available resources to relieve the suffering caused by the earthquake and to restore the damaged and destroyed facilities--schools, hospitals, roads, housing, as soon as possible.

It should be noted that there was not only a concerted effort to reconstruct and replace damaged public and private facilities, but also to respond to the long-term development needs of not only the capital but also secondary cities like Leon, Masaya, Corinto and Granada. These cities had populations ranging from 20,000 to 60,000. To determine their urban development needs, AID financed a National Urban Assessment which was carried out with the cooperation of INCAE, the Central American Center for Business Administration, which was located near Managua. Urban Planning Programs were developed for the individual municipalities and technical assistance was provided to the Vice Ministry of Urban Planning, which in turn provided technical assistance to the smaller communities. AID was interested in expediting the development of the secondary cities and promoting the devolution of power from the central government and the capital city, to these smaller communities, ultimately transferring to them, economic as well as political power. That in itself was quite an interesting program, and I think we made a very positive impact.

Also, we had an excellent agrarian assistance program called INVIERNO, the acronym for the Institute for the Welfare of the Farmer. It examined virtually every facet of rural life and provided assistance for various sectors such as agricultural production, marketing, transportation and health, generating market town and rural municipal development technical assistance and loan programs.

*Q: So there was a substantial development program going on at the same time as relief activities.*

BENJAMIN: That's right. It wasn't just a reconstruction program. As I've indicated, it was quite varied. Development initiatives in the urban, rural and industrial sectors were being carried out concurrently. The program was ambitious and very challenging. I was professionally satisfied with my contributions to both the reconstruction and long-term development aspects of the AID Program, and I was particularly gratified when the AID Mission nominated me for the Rockefeller Award for my accomplishments. Also, I was one of three winners named for a joint award by AID for the design and management of the grant funded technical assistance program, which helped to create the institutional capability to guide the planning and reconstruction of a new Managua.

*Q: All right, that brings us to about 1978.*

### **A year in AID/Washington Latin America Bureau - 1978**

BENJAMIN: We came back to Washington for about a year, and I was assigned to the Latin American Bureau. I was the Urban Planning Officer for the Latin American Bureau. My job was to function as the backstop to meet the technical and administrative urban planning needs of the AID Missions in Latin America.

*Q: Did you ever work with Eric Chetwynd?*

BENJAMIN: Yes. Eric was in Central AID in the Urban Planning Office headed by Bill Miner. They ran some very interesting programs, including market town development, municipal financing, micro business promotion and regional planning. While I was in Nicaragua, Eric and I worked very closely on a program that was sponsored by his office entitled the International Demonstration Project for Land Use Programming. The City of Leon in Nicaragua was designated as the site of one of three pilot programs, the other two being in Africa and the Pacific region. That project was carried out by a private consulting firm. Other projects such as Municipal Finance and Regional Planning, which I believe provided the basis for AID's current initiatives in Municipal Development and Environmental Protection Programs, were carried out under contract with Universities including Syracuse, UCLA and the University of Wisconsin. I collaborated with that office on several micro business and regional planning projects on my next field assignment in the Dominican Republic.

*Q: Now you spent a year here in Washington on a rotation assignment. Did you consider that beneficial?*

BENJAMIN: Absolutely. It gave me a bird's eye view of what was going on all over Latin America and it also gave me a chance to get to know the Washington operation better, especially since I had never really served there before.

*Q: . . . and the personalities?*

BENJAMIN: And the personalities, of course. I had met many of them, and I had spoken to them on the phone, and so on. But working in Washington on a daily basis is quite another cup of tea. It is certainly tougher to accomplish anything there than in the field, mainly because of the plethora of bureaucratic hurdles that must be overcome.

*Q: It is almost like joining another company.*

BENJAMIN: Yes, it was.

In addition to serving as a backstop, much of my time was spent in trying to persuade the Washington Bureaucracy and the Field Missions of the significance of urban issues in the AID Development Program - housing, services, jobs, vocational training, etc. This was a very frustrating exercise due to the resistance of the Agency, mainly due, to the entrenched rural and agricultural interests that, in my opinion, monopolized the AID Program. The standard rebuttal to my arguments was that investing in cities would only serve to encourage migration of the poor from the rural areas, thereby creating a vicious cycle, with AID investment going into a bottomless pit. One of the standing jokes among my urban colleagues was that AID was an extension of the Department of Agriculture. Given my frustration in Washington, I longed for another overseas assignment and felt rescued when I was invited to come to the Dominican Republic in April of 1979 to participate in the Hurricane Reconstruction Program.

*Q: Then you were sent back overseas.*

### **Reconstruction and housing development in the Dominican Republic - 1979**

BENJAMIN: Yes, I was then assigned to the Dominican Republic, which had suffered two powerful hurricanes in succession, Federico and David, which affected the western half of the island as well as the capital city. My assignment was to manage reconstruction and housing programs related to the disaster.

I started out by working closely with the Dominican National Institute of Housing. AID was ready to provide grant funding for emergency housing to that agency, but the government bureaucracy couldn't seem to absorb these resources and respond expeditiously to the emergency, so I started looking around for other possibilities.

As it turned out, several NGOs, already actively engaged in disaster relief programs, were located throughout the Dominican Republic. Among the better known organizations were CARE, Catholic Relief, and Save the Children. I approached them and asked if they would be interested in getting involved in emergency housing programs. They responded enthusiastically and within a week or two, I had several of them signed up. We took small grants of \$10,000, \$20,000 and channeled them through these organizations. They would hire foremen, typically a carpenter, a plumber, an electrician, each to work with a group of twenty people in the community to help them build simple houses using concrete block with galvanized iron roofing material instead of the palm fronds and shingles that they'd used before, which were hardly hurricane resistant materials. Locally produced block making machines were purchased and people in the community were taught how to make concrete blocks. This program lasted for one year and was sustained by an AID grant of \$530,000. It resulted in the reconstruction of 1,879 existing houses and the construction of 84 new houses.

*Q: Concrete block houses are very substantial.*

BENJAMIN: Yes. These were very substantial houses. We worked out arrangements where a cooperative would be formed, would be given a grant, and would then contract with individual families. Each beneficiary would have to make payments within his or her economic capacity to repay. This wasn't going to be a gift, but rather a loan that the beneficiary would repay over time. The repayments would go into a revolving fund, and the fund would be used to finance more houses. We had about 20 of these projects going on during the first year. They were innovative and fun to do because with a little bit of incentive and guidance, these people could do virtually anything. They got to the point where they made their own windows-wooden, louvered windows without glass, which is all they needed in that climate. Eventually, some of the cooperative did so well that they sold the surplus windows to the Housing Institute for its projects. These were people who had no previous technical or business experience, but with a little bit of guidance and technical assistance they became successful entrepreneurs.

This enthusiastic participation by local communities inspired us to finance a Center for Appropriate Technology, which became a research center for traditional building materials and construction techniques. Its function was to explore the use of local materials and building methods to reduce costs, making housing affordable to those who needed it most. It wasn't until the second year that the Housing Institute got its act together and we grant funded a house repair program, including materials worth \$220,000, which were used to repair 1,300 units. This grant was followed by a \$1.4 million grant that financed an additional 1,000 core houses. In total, between the programs of the NGOs and the Housing Institute 4200 houses were repaired or newly constructed through the AID funded Housing Reconstruction Program.

Incidentally, I would be remiss if I didn't mention that the Dominican Savings and Loan System, one of the earliest in the AID supported family of Latin American S and L Systems, had under its jurisdiction the administration of several Housing Guaranty Projects. That program started in the middle '60s. Working closely with the Dominican Housing Bank, the agency that oversees the Savings and Loan System, I was able to negotiate a new \$15 million HG for Worker's Housing. That program was unique in that the employer provided the down payment, the government the land, and the worker paid the balance of the long term mortgage.

### **Initiating micro-enterprise programs in Dominican Republic**

After the early reconstruction phase of the AID Program, I got involved in the micro-business program. It was administered by the Dominican Development Foundation, which worked with smaller groups to fund micro-businesses such as clothing, candy, building materials, all on a very small scale. AID had already given small grants to the Dominican Development Foundation in support of this effort. The program was expanding and the Foundation requested a new grant of \$500,000 to help expand its program. Given the good payback record of its clients, AID approved the request, which was coupled with a strong technical assistance component. We were convinced that instruction in management, marketing and accounting was essential to the viability of the program.

I'll give you an example of how successful the program was. Take a family that started with a small home based clothing manufacturing business, with a total of four sewing machines. The family secured a \$3,000 loan from the Dominican Development Foundation and was able to buy six more sewing machines and more materials and rent additional work space. In one year, the business had grown to include 25 sewing machines. A key to the success of this program was direct technical assistance in business management, accounting and marketing.

*Q: That's terrific!*

BENJAMIN: It was a success beyond our imagination. But all of our micro-business programs grew that way, and where we didn't lend to individuals, we helped to set up "solidarios", or small cooperatives. The typical cooperative of street vendors (push cart peddlers), for example,

included five or six people each financially responsible for the other. If one of the group ran into financial problems the co-op would make up the difference and keep the person going for awhile. So it worked out very well.

*Q: Were your programs ever audited? Did they come out all right?*

BENJAMIN: Absolutely, and the results couldn't have been better. The Micro Business Program has become one of the most successful initiatives of AID, representing a maximum return with a minimal amount of investment. Programs of this type can now be found all over the world.

The AID-sponsored Micro Business Program in the Dominican Republic moved from the micro business up to the small business level. Once the micro business entrepreneur reached a certain production level, let us say 25 sewing machines, he then looked for more substantial credit. AID took this opportunity to develop a larger scale small business and industrial credit program with the Central Bank. Loans were made available at a level of \$3,500 - \$25,000. In this manner, the size of the credit package was ratcheted up, based upon the initiative of the Dominican small businessman, with the cooperation of the Dominican Development Foundation and the Central Bank.

After about five years of supporting this program, we recognized a need at the sub-micro business level for very short-term loans for production materials. Some manufacturer would need a loan of \$100 to buy cloth, for example, to be repaid in two weeks. The person receiving the loan could then obtain a loan for double the amount - \$200, and pay it back in four weeks. This progression would continue until the loan reached a level of \$1,000, at which point the recipient would be qualified to obtain a larger, long-term loan from the Dominican Development Foundation. A new organization called ADEMI, was created to operate this program, and was initially supported by an AID grant.

With all of this institutional infrastructure now in place, we decided that it was time to explore the field of export promotion. It seemed that many of the products being manufactured by Dominican micro and small-businessmen could find an international market, so in order to support export promotion, we contacted the Chicago Board of Trade and the Atlanta Trade Fair, both of whom had shown a strong interest in Dominican artisan products - woman's leather and crocheted purses, straw baskets, and the like. These organizations sent representatives to the Dominican Republic, who talked to tradesman, discussing products and market opportunities in the United States.

*Q: So you moved into the export market?*

BENJAMIN: Yes, At that point, the Mission changed my title from Housing Officer to Housing and Trade Development Officer. This change occurred at the time that the C.B.I., the Caribbean Basin Initiative was initiated.

*Q: That was the big thing that was initiated in Kissinger's day.*

BENJAMIN: Before we leave the Dominican Republic, I'd like to take a moment to talk briefly about the excellent Regional Planning Project in the Dominican Republic that was sponsored by Bill Miner's Office which had a contract with the University of Wisconsin to provide technical assistance in this area. They studied the southwestern portion of the D.R. to determine how to prevent environmental degradation and protect natural resources in that region i.e. topsoil water sources, timber. One of the major threats in the Dominican Republic was the loss of topsoil. For example, when trees were indiscriminately cut down for firewood, the topsoil, previously held down by the trees, would be carried down to the rivers, and dams which would eventually silt up. I recall one disastrous example of these consequences. AID had financed a large dam which was designed to last about 40 years but because of siltation, the dam had lost 20 years of its projected life. AID's regional planning efforts were designed to anticipate and prevent this type of problem.

BENJAMIN: I had an interesting variety of projects and felt that I had spent a very productive five year tour in the Dominican Republic. One has only to look at Haiti, on the other end of the island, to see the effects of indiscriminate cutting of trees. Actually, the Dominican Republic has enacted legislation prohibiting such cutting.

*Q: Now you had been posted in South America, Central American, and now, the Caribbean. That gives you quite a comparison, I'm sure.*

### **Assignment in Egypt - 1984**

BENJAMIN: Yes, but the greatest contrast was yet to come. My next assignment was Egypt! I said, wait a minute, they must have made a mistake. They don't speak Spanish in Egypt. Apparently, at that time, policy was changing and they wanted to rotate people. Those who had been in Latin America for a long time were destined to go the other side of the world, and vice versa.

*Q: This was in the 1980s, wasn't it?*

BENJAMIN: This was already 1984. I was assigned to Egypt, put in charge of a very large utilities program, including water, sewer, for Cairo. I also managed a large sites and services program outside of Cairo in a town called Helwan. This program involved taking a large piece of desert land, owned by the government cutting it up into 7,000 lots; facilitating the installation of water, sewer, and electricity, and finally, encouraging banks or other credit institutions to

finance houses for low income families on these lots. This type of program is what we call the sites and services approach. We also financed upgrading programs for seven existing small communities, upgrading their water, sewer and electrical systems and promoting home improvement where it was possible.

The Egypt AID Mission was very large compared to what I had been used to in Latin America. It had about 140 direct hires and an equal number of contractors.

*Q: In the entire mission?*

BENJAMIN: Yes.

*Q: You served a two year tour there?*

BENJAMIN: Yes.

*Q: Did you enjoy the contrast with Latin America?*

BENJAMIN: It was different but equally rewarding. It involved working under difficult desert conditions, with dust and extreme heat, but the work was just as challenging and professionally satisfying.

*Q: Was your family there with you?*

BENJAMIN: Yes they were there. We lived in a pleasant community called Maadi, about a half hour from Cairo.

*Q: Was there an American school there? How many children did you have?*

BENJAMIN: Yes, the American School was located there. We had two children, one of high-school and the other of junior-high-school age.

*Q: The school is supposed to be excellent there.*

BENJAMIN: It is excellent. We all enjoyed living in Egypt. Aside from the challenges of the programs and the work we were doing, the country, from an historical point of view, is absolutely fascinating. One can't even begin to describe the excitement of being there and visiting the ruins. Every weekend presented another opportunity to visit one magnificent archeological site or another.

*Q: That is one of the fringe benefits of the Foreign Service.*

BENJAMIN: My projects in Egypt were quite large and were initiated prior to my arrival and unfortunately, my involvement in them was for too brief a period of time. Although I had intended to return to Egypt for a second tour, I could not return because of medical reasons. We returned to Washington in the summer of 1986, where I was assigned to the Housing Office.

### **Three years in AID/Washington's housing office - 1986**

BENJAMIN: I spent three years there until I retired. While in that office, I backstopped programs in Latin America and in West Africa

*Q: So there was a regional housing office in Abidjan.*

BENJAMIN: Yes

*Q: Did you travel to West Africa?*

BENJAMIN: Yes, I made one visit to the RHUDO in Abidjan. Back-stopping consisted of typical AID desk officer operations-- responding to requests for technical assistance from the field, reviewing field office budgets, shepherding these budgets through the Washington bureaucracy, helping to shape policies and programs, and helping to put out fires.

*Q: Someone else had responsibility for RHUDO over in Nairobi, backstopping them? You didn't cover all of Africa did you?*

BENJAMIN: Oh no; it was just West Africa. We had two regional offices, one covered East Africa and the other, in the Ivory Coast, covered West Africa. Subsequently, I backstopped the RHUDO in Central America, located in Honduras.

*Q: Did you make a trip down to Tegucigalpa?*

BENJAMIN: Several times. That was familiar territory, since I had spent five years in Nicaragua. In June of 1989, I was advised that I would be reaching the end of my time in class, and that since I had not been promoted into the Senior Foreign Service, I would have to retire by the end of November of that year. The news came as a very unpleasant surprise, and I wasn't ready for it.

*Q: That in a way seems to be a mistake-to waste all the experience that a person had in a technical field. Perhaps it's different if it is administrative and that skill could be replaced.*

*BENJAMIN: I couldn't agree more. Such forced retirement is a clear example of "cutting off your nose to spite your face", This is a defect in the system that probably has done more to weaken the AID program, by lopping off seasoned, field tested personnel who have moved to the top of the structure and replacing them with inexperienced, unseasoned officers.*

*Q: During your tour throughout Latin America and Central America were there periods where you or your family were subject to real danger in coups or something like that in addition to the DC-3, landing which was rather unanticipated?*

BENJAMIN: I remember one time, when I was away from Egypt on a TDY to Zimbabwe, there was a prison escape in Cairo. The escapees took cover near the American School in Maadi, and there was a lot of shooting going on. I was concerned because my children were there. Fortunately, no one was hurt.

Feelings of unease started to develop with the hijacking of a TWA Flight in 1985, one that we were originally scheduled to take to Athens, and then on to the United States for vacation. Fortunately, at the last minute, we changed our flight to AIR EGYPT, and heard about the incident when we arrived in the U.S. There were 4 people killed by the hijackers. Another incident which made us very uneasy was the hijacking of the Achille Lauro, an Italian Cruise Liner off the coast of Egypt. Also, it did not help our morale when there was an assassination attempt on the Israeli Consul a few blocks from our house.

Notwithstanding these problems, travel around the country was relatively easy. Apart from our weekend trips to archeological sites, we took a major trip by car to Israel, across the Sinai Peninsula. We were never stopped in Egypt, but were stopped and searched several times in Israel. (Of course our car had Egyptian License Plates).

There was a time in Nicaragua, at the end of the school day at the American school outside of Managua, when there was a shooting incident. The school was located near the University and there was crossfire between the students supporting the Sandinistas and the National Guard. Our children were driven home by a friend and had to get down on the floor of the car and away from the windows as the shooters drove by. Luckily, they were unharmed, but that was really scary.

*Q: No one was injured?*

BENJAMIN: No, fortunately. Another sort of curious incident was when we took a trip to Honduras in early 1978. We drove up to the Bay Islands on the north coast of Honduras, during our vacation from Managua. We were driving back to Managua from Honduras, when at a place about 25 miles south of the Honduran border, we were stopped by Sandinistas. They ran out of the bushes, approached the car and asked who we were. We told them, and they didn't detain us. But then about one half mile further down the road, an army helicopter came down and landed right in front of us. Soldiers got out and asked who we were and what we were doing there. We explained, and they let us go on our way. Northern Nicaragua was clearly a sensitive area at the time.

*Q: Just a few different incidents than you are accustomed to in the country.*

BENJAMIN: Then of course I told you about Che Guevara in Bolivia, but that was more smoke than fire.

*Q: Now, your visit to Zimbabwe, How did you find things down there? Was it a new country at that point? They gotten their freedom from the United Kingdom around 1980.*

BENJAMIN: It was hard for me to believe that I was in an underdeveloped country. At least on the surface, it displayed all the trappings of a modern western county\_ good infrastructure, comfortable housing, and what appeared to be a healthy economy, although the poor didn't seem to share in these amenities.

*Q: Rhodesia was quite a developed country before it became Zimbabwe. It was a beautiful place.*

BENJAMIN: I would have enjoyed being assigned there.

*Q: Do you find it much different in West Africa other than the city of Abidjan and maybe Dakar.*

BENJAMIN: I think so. Poverty was much more evident in West Africa than in Zimbabwe, judging by the predominance of slum conditions and marginal communities.

### **Liaison with the Office of Disaster Assistance**

Another interesting activity in which I was involved when I was in the Housing Office in Washington was my role as liaison with OFDA. I was able to get involved in some of their disaster related emergency relief activities. I remember Hurricanes Fifi and Gilbert among the big ones in 1987. I made a couple of trips to Antigua and Montserrat with the Disaster Group and worked very closely with it to develop Preventive measures and emergency shelter standards for disaster relief. This included recommendations to develop a network of local PVOs or NGOs in each country that could serve as agents for immediate response to disaster.

### **Concluding observations**

BENJAMIN: Before concluding this session of my oral history, I would like to make a few observations on the place and evolution of urban development as a component in the AID Program. With the passage of the years, we are beginning to realize the importance of recognizing and responding to problems in urban areas, particularly in developing countries. Initially, the only way that AID ever got into urban development in a serious way, was in response to natural disasters or because of political expediency, and not, particularly, to reach sound urban development objectives. It is interesting to note that three of my six overseas assignments--Peru, Nicaragua and the Dominican Republic were related to disaster reconstruction,

rather than programs to achieve urban development goals. Egypt was a special case, where the large metropolitan concentration of Cairo, with a population of 10 million in 1984, served as a sponge, ready and able to absorb major inputs of capital in water and sewer systems that were committed for political reasons (the Peace Treaty with Israel).

Regrettably, Housing and Urban Programs have never received high priority from AID. It was always difficult for me to understand why AID always had a general prejudice against Urban Development Programs, particularly housing. I believe that the housing sector deserves special attention especially since housing production brings so many positive virtues. It has always been a great generator of employment; the construction industry is often the first step up the economic ladder for migrants from rural areas; generally, the housing industry will use local materials in construction and finally, housing ownership creates deep roots in the community, strengthening the democratic base in that locality.

The low priority AID gives to urban development is particularly unfortunate as we recognize the accelerated and uncontrolled growth of urban areas which has resulted in a plethora of mega cities around the world. This phenomenon was anticipated by the World Bank when, in 1975, the World Bank Paper, "The Task Ahead", predicted that by the year 2,000, the majority of cities, at least in Latin America will have doubled in size. In effect, the rural poor will have become the urban poor. The World Bank anticipated that urban dwellers would exceed three quarters of the national populations, with about half of the increase coming from a rising birth rate and the rest from a rural to urban migration.

Unfortunately, most of the new city dwellers are poor, offering few, if any marketable skills. Normally, increased urbanization in itself is a natural step in the process of economic development, but it is the capacity of cities to absorb these newcomers and manage growth that is the major issue. There is little reason to believe that resources will be sufficient to accommodate anticipated urban growth, nor are efforts in population planning and rural development likely to reduce its pace and scale significantly. During my tenure with AID, I had always stressed that the objective of any responsible urban strategy must be to improve the capacity of towns and cities to more equitably distribute resources to the poor by providing them with productive employment and essential services. These must include the full gamut from small-business promotion to manpower training, job placement and job creation, Housing, sewage, water supply, electricity, transportation, education and health services must also be included.

I felt, during the '70's that, unlike the rest of the developing world, most Latin American countries were already heavily urbanized, and probably would match the industrialized West, within 20 years. Therefore, I maintained that any AID program in Latin America, should focus on the urban poor, serving as a model for other nations that are tracing the steps of Latin America into the twenty first century.

Although AID has been making some efforts in recent years to serve the urban poor, given the magnitude of the problem, its response has been far too weak. As the AID Assistant Administrator for Latin America and the Caribbean, Abelardo Valdez indicated in his testimony to the Foreign Affairs Committee of the U.S. Congress, on February 14, 1979, "The growth of urban poverty in the Region is accelerating, and in the 1980s it will replace rural poverty as the most significant problem in the Hemisphere." To further quote Mr. Valdez, "While continuing our emphasis on the rural poor, we must give increased priority to urban sector programs that expand employment and bring basic services to the rapidly growing numbers of urban poor. We need to develop programs that provide credit and technical services to small businesses and the self employed, encourage labor intensive industry, support management planning and training, and provide assistance to upgrade slums and squatter settlements and to strengthen institutions responsible for low cost housing and improving community facilities." In my view, this admonition is as true today as it was 20 years ago.

AID began to reshape its policies and programs to respond to these needs although all too slowly and with too little resources but at least it was a beginning. AID saw the wisdom of investing in a strategy of market town development, the purpose of which was to provide urban services in rural areas, strengthening local government, promoting the devolution of power from the capital and thereby reducing migration thereto.

The extensive involvement of AID in the Latin American Savings and Loan System also warrants a few observations. Oddly enough, while the Savings and Loan operations in the U.S. during the '70s and '80s were becoming less regulated, permitting investments in non housing related activities, AID was insisting that the Latin American Savings and Loan Systems focus on their primary task, that of providing long term mortgage financing at reasonable rates for middle and lower middle income housing. Close supervision of local associations by the Caja Central in Bolivia, for example, kept these goals in sharp focus.

At the same time, the results of deregulation in the U.S. System and its loss of focus and purpose, led to its financial collapse, ultimately costing U.S. taxpayers billions of dollars, while the carefully regulated Latin American Systems have never been healthier, continuing to serve and place emphasis on middle and lower middle income housing, and in many cases, i.e. Bolivia, Ecuador and Peru, serving the poor through core housing, sites and services and home improvement programs.

In conclusion, I'd like to reflect on some of the aspects of my AID Career that have provided specific rewards during my retirement. I have had a very positive experience as a volunteer producer with a local Community T.V. Station in Arlington, where I participated in the production of two shows on micro-business in the Dominican Republic, reflecting my experience in that country. This was a broadcast in the Spanish language, which I believe would have received a high level of interest from local residents who have emigrated from Latin America,

but who have the hope of returning some day to their native countries and investing in a small business, with savings accumulated in the U.S.

Another positive experience as a volunteer related to my overseas work has been with the Smithsonian Museum of Natural History on several archeological projects. This interest in archeology was developed after having served in Bolivia, Ecuador, Peru and Egypt.

I think that this completes my input for the present.