

**UNITED STATES FOREIGN ASSISTANCE
ORAL HISTORY PROGRAM**

FOREIGN AFFAIRS ORAL HISTORY COLLECTION

An Interview with

Victor Skiles

1995

Association for Diplomatic Studies and Training
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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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Afghanistan
Africa
Asian Development Bank
Aswan High Dam
Baghdad Pact
Berlin
Burundi
CENTO
Ceylon
Columbia University Teachers College
Congo (Zaire)
Dan Parker, Administrator USAID
David Bell, Administrator USAID
Defense Support
DLF - Development Loan Fund
Dr. Bennett - TCA Administrator (Point 4)
East Africa Federation
East African University
East Berlin
ECA - Economic Cooperation Administration
Egypt
Eleanor Roosevelt
Ethiopia
FAO - Food and Agriculture Organization
FFP - Food for Peace
FOA - Foreign Operations Administration
food assistance
food security
Galilee
Germany
Ghana
Greece
Harold Stassen
Helmand Valley development
Henri Labouisse, USAID Administrator
IBRD - World Bank
IAA - Institute for Inter-American Affairs
IMF
India
Iran
Iraq
Israel

Jordan
Jordan Development Commission
Kandahar airfield, Afghanistan
Kenya
Korea
Latina River Valley Development
Lebanon
Libya
Mahawali Dam and irrigation scheme
Makerere College
Marshall Plan
Morocco
MSA - Mutual Security Administration
Nasser
Negev
NIPA - National Institute of Public Administration
Pakistan
Palestine refugees
Peace Corps
PL480
Point 4
PPC - Program Policy Coordination, USAID
President Nkrumah
President Julius Nyerere
Prime Minister Ben Gurion
Rwanda
Sahel emergency
Saudi Arabia
Senegal
Sevicios
SMA - Surplus Marketing Administration
South Asia
Soviet Union
State Department
Supporting Assistance
Syria
Tanzania
TCA - Technical Cooperation Administration
Teachers East Africa project
Teddy Kollect - Mayor of Jerusalem
Tororo Girl's School, Uganda
Tunisia
Turkey
U.S. Zone of Occupation
Uganda

UJA - United Jewish Appeal
UN - United Nations
UNCTAD - United Nations Conference on Trade and Development
UNDP - United Nations Development Program
Vietnam
WAF - War Food Administration
WFC - World Food Conference
WFP - World Food Program
World Bank
Yemen
Zablocki Amendment
Zambia
Zanzibar

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

An interview with
Victor Skiles

Interviewed by John Kean
Initial interview date: December 4, 1995

Q: An interview with Victor Skiles, retired AID, on December 4, 1995. We'll begin by asking Vic to describe for us the early parts of his life before he began to work. Would you do that?

Growing up in Idaho

SKILES: The very earliest parts -- I was born in Idaho, and soon became a child of the Depression. I think those were two of the main influences that colored a lot of things that came later. The part of Idaho that I came from was rural, agricultural. Irrigation was a necessity. People were not well off, by and large. There was a lot of community activity, a lot of things going on where people helped each other, including harvesting of crops, that sort of thing. School was hard to get to, but was real joy to me and many of the youngsters in that general area, if for no other reason than to get away from the farm, and get exposed to things of somewhat more interest.

Q: When you talk about schools, what level are you talking about?

SKILES: Grade school and high school, at this stage.

Q: So you had a considerable distance to go, even in grade school?

SKILES: Yes, indeed. It varied from time to time, but generally about four or five miles to get to school. All sorts of conveyances.

Q: Bus, horseback, what?

SKILES: The first year they had a horse-drawn school bus; a covered wagon. This was in an area that had been settled by people who had come west with covered wagons, so they were not entirely unfamiliar with that kind of usage. But I have many memories of the first year of school, for example, in that old school bus, particularly when the snows were heavy. In different places this continued on and off up to high school.

Q: And where did you go to high school?

SKILES: The name of the town is Burley, Idaho. I graduated in 1935. During the period of school, I was involved in all kinds of activities, by desire. Some of these had quite an influence on later developments, but not all of them.

Q: Were these activities academic, or agricultural, or what?

SKILES: Sports, public speaking including debate, school plays, boys' club, cheerleader. I suppose the National Honor Society was the only primarily academic club, but others such as working on the school paper (and President of the Southern Idaho Young Journalists Association) were fairly directly related and had a good deal of influence on my interests and ambitions. (I also worked on the town newspaper and was a stringer for the Salt Lake Tribune reporting on sports activities.) These were significant in at least two ways. One is that I was offered a scholarship by a couple of Midwestern universities, including Northwestern, which helped broaden my horizon -- or open my eyes. The other is that they helped provide some focus on interests, what I wanted to try to do. This of course became a continuing process. I knew I wanted to go on to college, but I didn't know really what I wanted to study and those extracurricular activities had a lot to do with eventual conclusions.

Q: So, as you were finishing high school, you already had some interesting work and quasi volunteer activities behind you. Then what were the opportunities and what choice did you make about going to college?

College and early work experience

SKILES: The choice was the University of Idaho at Moscow, a first rate school in some disciplines. Generally the classes were reasonably small and the faculty a good mix of seasoned elders and bright young people, some in their first serious teaching jobs. Idaho might sound like going to school at or close to home, but it wasn't. That state is some 750 miles long, Burley in the far South near the Utah border and Moscow up north - a lot closer to the Canadian border than to the state capitol. Frankly, one of the main considerations was money. I mentioned scholarship offers at places like Northwestern (and Drake), but even with scholarships a good measure of financial input was required and I thought that by going to Idaho it would be fairly simple to have enough outside paying activity to keep things going, and that's the way it worked out. As a prelude, I had a job with the Forest Service the summer before going to the University, which was really part of a year after high school spent doing odd jobs to lay aside a little money to go to school.

Q: And in the Forest Service, what was your task?

SKILES: Largely pulling weeds. It was a Blister Rust control activity in northern Idaho.

Q: But it got you out and familiar both with the work situation and what had to be done to make some things happen in the forest?

SKILES: That's true. A couple of other valuable lessons were illustrated. The problem was the decimation of parts of the valuable forests from a disease called White Pine Blister Rust for which at that time chemical controls had not been developed. So what do you do? Cut down the diseased trees to stop the spread? Well, through careful study and laboratory work - research, in the agriculture/forestry parlance - it had been learned that the disease did not spread from tree to tree, that there had to be an intermediary host. This was determined to be the Ribes plant - a form of currant or gooseberry which thrived in the forest environment - so our task was to seek out and destroy the Ribes. No Ribes, no reinfection, no spread of the disease. You will recall the repeated reference in our later work to the three legged stool of Agriculture - Research, Education, Extension - and this is what we were trying to promote in most of the underdeveloped countries in terms of a system. That is the second point illustrated by the forestry experience. The first is that the obvious is not always the truth. You've got to really understand the problem in its own or local environment, then plan and organize to tackle it.

Q: So it was in 1936 that you went to college?

SKILES: The fall of '36 I went to college. I still didn't know for sure what I wanted to study, but the first couple of years it doesn't make a whole lot of difference. If you are in liberal arts, you pretty much take the same courses. The beginning of my second year, I didn't make it back to school. I was working in the mines that summer, and stayed on through the fall. But that happened to coincide with a bad economic period, not only in the western U.S., but all over the country.

Q: The famous recession of '37?

SKILES: The recession of '37. And because of that, the mine pretty well ceased business, so I was happy to get back to school for the second semester.

Q: Were you then in school continuously after that?

SKILES: Yes, pretty much. I finished the degree in the spring of 1940. And this leads to a digression that I must make. I mentioned earlier that I hadn't really fully made up my mind what I wanted to study. I had started off with a journalism major in mind, but soon gave up on that because I didn't like the approach to life that the journalism school took. It was too much of a trade school approach, teaching many of the things I thought I'd already been exposed to working on a hometown newspaper. It seemed to me that people who went to college ought to be finding out more about and understanding things to write about, rather than how to write them for a newspaper. So I majored for a while variously in economics, political science, and ended up taking the first year of law school as the last year of my B.A. work. At that time the University had a combination BA-LLB six-year program, which you could do in that fashion. I did it largely out of desire to find a way to make a living, still in the public arena, but without teaching school or working on a local newspaper. Law seemed to be the logical outlet. An older brother who had worked his way through law school was a practicing attorney in Boise. He

seemed to be happy with the life, and sibling relationships being what they are, I suppose that helped attract me to it.

But I never did finish law school, and it was largely because the head of the political science department, who was, in effect, my favorite professor out there, probably knew me better than I knew myself. He understood why I was in law school, and he wasn't convinced that that was what I really wanted to do, or ought to be doing. So he called me in and talked me into making applications for a couple of advanced fellowships in public administration. The one he really favored was an internship program run by the National Institute of Public Affairs, which had Rockefeller Foundation financing to carry out a program over a period of a few years, to try to introduce people into government and in doing so to demonstrate selection methods and introduce training programs into government that would have a lasting effect. I did file those applications, and eventually became an intern with the National Institute of Public Affairs. Its program really was designed to pick fifty people who were either graduating seniors or graduate students from a variety of concentrations. Most of our group were interested in social studies of some sort - political science, government, economics, public administration.

Intern with the National Institute of Public Affairs

Q: So this was a federal government program?

SKILES: No, it was a privately endowed program, but the internship placement was in the federal government. Perhaps I should rephrase the identity of the Institute, which pictured itself as a liaison between colleges and universities on one hand and federal departments and agencies on the other, and advisor to both in selection and training programs. It hoped to demonstrate the value of targeted selection and improve the possibilities for the government to inculcate training programs as a regular function in its activities. The Institute was considered to have a relatively short life span in the sense that if it succeeded in its role the need for it would diminish. (I'm sure you heard that theme - work ourselves out of a job - over and over in later years with Point 4). I believe the Institute's first full program was in 1937. Our group would have been its fourth and there probably was only one more before the war hastened an end to the program.

The Board of Trustees read like a Who's Who in public affairs, and the chairman was Dr. Louis Brownlow, who was director of the Public Administration Clearing House and had been chairman of the President's Committee on Administrative Management in 1936-37 which was about the time the Institute became operational. The Institute's President was also chairman of the Council of Personnel Administration for the U.S. Government. The tie-in with Government was pretty good, which of course was essential to the Institute's efforts to work out internship programs in the Government.

Q: And who was that?

SKILES: Frederick M. Davenport. Dr. Henry Reining was the Education Director and the man who actually ran the Institute.

Q: So is this what brought you to Washington?

SKILES: Yes it is. But I think I should first go back a step and emphasize another element in my school days, which is that I traveled a great deal. I covered the western U.S. about as thoroughly as one can do with the limited means available; primarily hitchhiking and a few jobs, one of which took me as far east as Nebraska. Then during school, I was president of the underclassmen's scholarship honorary at the school, and then the upperclass advisor to the organization. They had a national convention back in Indiana, and rewarded a couple of us by offering to pay our way back to the national convention. Out of this we figured a way to take a car and make a real trip out of it, even though it came during the school year. From Indiana we then came further east, through Virginia, where Monticello was our primary target, and to Washington. A few exhilarating days there rather convinced me that that was the place that I would eventually like to go to.

Q: And the date of this trip was about when?

SKILES: It was in 1938 or the spring or '39. From Washington to New York, and then back through Canada and the Midwestern U.S. This was really my first exposure to the eastern part of the U.S., and certainly to Washington, D.C.

To jump now to the Institute days, their approach was to offer fellowships to fifty graduating or graduate students. The procedure was to invite colleges and universities to make nominations from their so-called superior students with an interest in public affairs; the Committee on Appointments then rated the prospects on the basis on non-academic as well as scholastic achievements; from these ratings they then invited selected candidates to personal interviews which were conducted all around the country; then they made appointment offers to fifty candidates. I happened to be invited to an interview in Helena, Montana. The only other interviewee at that session was an economics instructor from Montana State in Bozeman, who was also in the law school. He had been a Rhodes Scholar and had had to forego the third year of that scholarship because of war conditions in England, so he had spent the 1939-40 year at Montana State. He and I being the only people interviewed at this particular session turned out to be quite an advantage to me, in my opinion, because the interview - how do I put this without sounding boorish? - the interview went well, and the two doctors who were doing the interview thought that the boy from Idaho showed up every bit as well as the ex-Rhodes scholar. I'm sure this had a great deal to do with being selected for one of the fifty positions. They took us both.

We, and I would like to say forty-eight others, arrived back in Washington in the fall of '40, but that would not be entirely true because, as happened every year, a few of the people who were invited, I suspect it was around eight that year, did not end up on the internship program. The rest of us did, including nine women. Thirteen - an easy number to remember - were people in graduate programs and the rest were graduates of 1940.

The first month was spent primarily in group sessions, getting acquainted with Washington and the Government. There were several meetings each day, including evening sessions, with government officials, opinion makers, graduate interns - and we attended a few Congressional hearings. After a couple of weeks as we began to learn our way around and get better perspectives on where we would prefer to do our individual internships, growing emphasis was placed on this aspect. The group sessions continued, largely in the evenings, with various leading characters around town. These were primarily people in the government - administrators, budget directors, personnel directors, Senators and Congressmen, the Chief Justice of the Supreme Court, the head of the Administrative Office of the Federal Courts - and a few private people such as Eugene Meyer, publisher of the *Washington Post*, who was also a member of the Board of Trustees of the Institute, and his "star reporter" on government affairs - Vic Albright. One of our favorites was an evening at the White House with Mrs. Roosevelt.

This is a digression, but there was an interesting and somewhat embarrassing little sidebar to that session. I had in my pocketbook a cropped copy of one of the pictures taken when she visited the Moscow campus - that probably was 1938 - to make a speech and plant a tree. I was covering her visit for the school paper and happened to be standing next to her, President Dale of the University at her other side. As you know, Mrs. Roosevelt was a tall lady - over six feet - and President Dale if anything was even shorter than I, meaning, at most, 5'6". I showed her the picture in which she expressed some interest and asked if I would like her to autograph it. I told her I had never collected autographs, but was delighted to start at the top. She asked if I had a pen and I didn't, but a girl standing next to me offered hers and like a fool I handed it to Mrs. Roosevelt without taking the cap off. When she did so, the cap was full of ink, therefore, so was her hand. Hence the embarrassment. But I still have the signed picture. Incidentally, at a later visit to the campus, I noticed that the "Hall of Presidents" - which has a photo of each of the past presidents of the University - used a similar picture for President Dale's ID, so I am in the Hall of Presidents.

Back to the Institute. The individual intern placements were in a variety of agencies with which the Institute worked out a combination work and training program. Each of us was assigned to a designated supervising government official, theoretically as a full time assistant and observer. As it turned out, four of us went to the Surplus Marketing Administration in the Department of Agriculture. There was a confluence of interest at that point between the Institute and SMA, partly because SMA had a youth movement of its own going on. They were fairly liberally staffed with young people. They thought the Institute had a good approach in bringing people into the government, and they wanted to get their hands on some of the Institute's people to fit in with their program. One of the points of conflict was that SMA wanted to put all of its people on a payroll, and the National Institute did not favor people going on a payroll while they were doing internships. This was finally worked out, and we did go on payroll, but I think it was an experiment that was not really to the liking of the National Institute. Their basic policy, probably heightened by that experience, was to have fellowships, but not paying fellowships.

Q: This then was your entree to work in the federal government?

SKILES: That's correct. It was not only working in the federal government, but exposure to the kinds of programs that the federal government was doing, which seemed to me to have a remarkable impact on some of the people in the country, and whose purposes really were to help ameliorate some of the problems that I had seen earlier in the rural setting in Idaho, from which I came. One of the real advantages of the special treatment was that we got exposed to some of the top people, which was a little unusual for entry-level personnel.

Q: *The NIPA program lasted a year, did it?*

SKILES: Yes, it was scheduled much as an academic year would be. We started in September, and we were supposed to go on until about June. I didn't make it quite that long, because the people in the Surplus Market Administration were going through a reorganization and there was an opportunity, from my standpoint, to go out to the San Francisco regional office on an assignment. An opportunity on the part of the acting Administrator, whom I had quite accidentally gotten exposed to a number of times, and whose normal job was the far-western regional director was a) to thin the ranks in Washington; to get some of those people out of the headquarters, and b) to do a little recruiting for his own staff when he returned.

During this period we were working primarily on the food stamp program, the school lunch program, a program called direct distribution, under which the government bought up surplus commodities in surplus producing areas and had them moved to consumption areas, primarily to welfare agencies for distribution to needy people. So I had some exposure to all of those programs, first from the Washington viewpoint, during which I was privileged to take a number of field trips with some of the very capable Washington people who were involved in field operations as well as planning. Toward the end of what would have been an academic year, exposure in the regional office, then in the district office in Seattle, then I was made acting State Supervisor in Montana, working with the politicians, getting a basic understanding of how you make this kind of program work, from the local viewpoint. All of this came in handy later.

In a way, the main problem we were working on was a method or methods to insure that U.S. funds and commodities used in the various programs resulted in additional consumption rather than substituting for private and local funds. The twin problems were surpluses of certain kinds of edible foods which, if on the regular market depressed prices and farmers' income; and at the same time a lot of underfed people with insufficient funds to increase their consumption and through market forces have an effect on the surplus problem. The heart of the stamp plan, for example, was to use two colors of stamps, set a purchase requirement for the orange stamps at a level which the purchaser would normally use for food, then issue free blue stamps which could be turned in at your normal grocer, but only for foods on the surplus list. The orange stamps could be used to pay for any foods, surplus or not. The grocer would get his money by turning in the stamps, the sources of funds being the sales proceeds of the orange stamps and a federal subsidy for the blues. Getting appropriations for the blues required anticipating the areas where programs would be in force, the numbers of people likely to be involved, the various categories of clients and the formula for issuing blues against the sale of the orange stamps. In essence the funds for the orange stamps usually came from the various works/relief/welfare public assistance

program, the recipients being normally the eligible participants in the stamp program. Operations obviously required working with and understanding a host of organizations - and people. You will find these same principles (but not the stamps) in a good deal of our later programs.

Q: So this takes you up to what date? 1942 maybe?

SKILES: Yes. I was in the process of being transferred again to the regional office in Milwaukee, and was driving back to Milwaukee over the famous weekend of December 7, 1941. I got the news on Pearl Harbor over the car radio. At first I didn't really believe. I thought the commentators didn't know where Pearl Harbor was. Pearl Harbor also, at least mentally, brought to an end, or at least put up a wall in terms of the programs I'd been getting educated on, and getting exposed to. The handwriting on the wall was that these programs were not going to be all that important, in wartime terms. I stayed only a very short time in Milwaukee, was then transferred on back to Washington, for a while as head of the planning unit in SMA, but very soon joined a different staff in a larger complex in the Department of Agriculture, which was destined to be, in effect, the War Food Administration. I spent about a year with that organization, helping to plan programs and organize structures to carry out the war food function. During that year I got in a little more domestic travel, helping set up regional offices in Dallas and Atlanta, and investigating the prospects and needs in New Orleans. Then I went in the Navy.

Q: Your assignment there was a regular assignment, or did it have to do with the job you had been doing before?

Assignment with the Navy in Berlin

SKILES: It was a regular assignment, largely in aviation supply until 1945. This was terminated rather early, when I received orders while out in the Pacific, to report to CNO, OP 13 (Chief of Naval Operations, Operation 13) in Washington for onward assignment. Our manuals were a bit out of date, and we couldn't find out what CNO OP 13 stood for; ours only ran up to 11. I came back to Washington on those orders, and before reporting in to the Navy was having lunch with some old friends in a hotel restaurant in Washington, and happened to see the deputy administrator of the Agricultural Marketing Administration, who had been my last supervisor before I went to the Navy. He asked me what I was doing in Washington, and I told him I didn't know; I was supposed to find out as soon as I reported into the Navy, which I hadn't yet done.

He said, "Are you serious? You really don't know what you are going to do next?" I assured him that was the case, and he said, "Well, perhaps I shouldn't be telling you this at this particular stage, but you're on your way to Berlin." And that's how I found out about the next stage in my experience. Still with the Navy, but assigned to the U.S. Group Control Council in Berlin, as part of the quadripartite arrangement for governing Germany after the war. OP 13 stood for Occupied Territories.

Q: So you were in the Navy during that period, but assigned to the military government operation?

SKILES: Yes, basically that is true although, in a not entirely accurate but useful distinction, the term military government applied more to what was going on in the U.S. Zone of occupation (and to the U.S. Sector in divided Berlin). The quadripartite (U.S., U.K., France, Soviet Union) Control Council, on the other hand, was to be involved in setting up the overall central government for the whole of Germany. It was to be, in a sense, the legislative and supervisory body and one of its main tasks was to organize the central German Administration. But yes, I was in the Navy, but assigned to the Military Commander in Europe and specifically to the U.S. Group Council located in the capital of Germany - Berlin.

Q: So this was very shortly after the fall of Berlin?

SKILES: It was. In fact, fires had not quite gone out at that time.

Q: And what was your job there?

SKILES: A little hard to describe because things didn't go as they were supposed to have gone. I mentioned seeing the deputy administrator of the Agricultural Marketing Administration, Ralph Olmstead, in the dining room in Washington. What I later learned was that he had been designated to head up the food and agriculture part of the U.S. Group CC, but he was held up in Washington because of some Congressional Committee interest in the war food functions that he had headed up in USDA. He had been put in a Colonel's uniform, but left in USDA to run the program. His military boss, General Somervell, had agreed to the Committee Chairman's request that Ralph be held in Washington pending the Committee's determination as to whether they would insist on talking further with Olmstead. It is my understanding that they didn't call him back, but he stayed in Washington and the organization in Berlin didn't shape up exactly as had been intended. Olmstead had been given a great deal of latitude in lining up his staff for the Berlin operation and I just happened to be one of the guys that had worked for him in the early days of the war and that he lined up through military channels for the Berlin function.

Colonel Harry, a long-time A&P executive was named the head of Food Distribution and I was assigned as his assistant. Theoretically we were working on plans for the German administration in that area, but in fact this role never really materialized and it seems to me that most of the time was spent evaluating food requirement and availabilities for the U.S. Zone and northwestern Germany, particularly the Ruhr which was home to much of German industry including coal production - fuel was in mighty short supply that year all over Western Europe.

Post War Germany

I left at the end of 1945 for separation from the Navy, but in '46 went back to Berlin as a civilian. It had become increasingly obvious that the quadripartite function was not going to work and late summer of '46, four of us were sent to Stuttgart to form the Bipartite Food and

Agricultural Group, along with representatives from the U.K., for the two zones. Other groups were sent to other cities - Commerce and Industry in Frankfurt, for example; Transportation somewhere else.

Q: This was the beginning of the split.

SKILES: True, but not yet publicly. Stuart Van Dyke and I were sent down to the French zone to try to pave the way for a tri-partite operation, but the French were not yet ready for it and for about a year we were bi-partite. Then in '47 the various groups were moved to Frankfurt which became headquarters and the Berlin office was reduced to a skeleton.

Q: Which is to the say the separation of the administration in Germany between the Soviet zone and the three Western zones.

SKILES: True.

Q: Were you at that point trying to rehabilitate German agriculture? Or were you primarily depending on imported food?

SKILES: Primarily German agriculture, which was the main source of supply. The imports were comparatively marginal, but very significant. For me the feeding side was primary - my title was chief of food rationing for the bipartite operation.

Q: Were you using commercial channels, or relief channels?

SKILES: Largely commercial channels, but our particular problem at that time was to define the food needs in terms of ration requirements in each of the German states and relate them to likely availabilities both from German production and imports, then seek German concurrence in a plan to move the goods. (Actually we in Stuttgart had very little to do with the import program which was handled in the Berlin office, except to fit it into the distribution plan - and most of it stayed in the North to ease the shipping problems.) For part of the period the German money wasn't worth much so you lacked one of the essential ingredients for truly commercial channels to work.

In the U.S. zone Bavaria and Baden-Wurtemberg were good producers and Greater Hesse was deficient in terms of meeting ration requirements. The greatest deficiencies were in the U.K. zone, particularly the Ruhr, with Nieder-Saxon a relatively surplus producer. Once the requirements were determined and potential sources of supply agreed to, the real trick was to get the Germans to move the food. Bavaria didn't want to give up its produce, which was scarce enough and provided much of the liquid wealth of the particular period. They were not anxious to send their grain up to the Ruhr with which they were not all that friendly anyway, for different reasons. There was no strong central German government to tell the states what to do, so we had to construct programs designed to achieve that kind of transaction, and admittedly this could not

always be done by persuasion - the strength of military government had to be exercised. This, however, was not a function of our particular office.

On the import side, we were importing primarily wheat, because that's where the greatest need was and that's where you get the most bang for the buck. But we also had a lot of other things which were available "on the cheap" from various other programs, including army surpluses. Most of what I've been talking about in terms of local production and wheat imports, you could put through the commercial channels, but what are you going to do with a half million cans of grapefruit juice and a population that doesn't know what it is? There's no market for grapefruit juice. So we had to devise ways to use available foods, nutritious foods, at least providing some elements of nutrition which were missing, but that were not common foods and were not really acceptable foods for the general population's purchase and consumption. For those we had to have special distribution channels. The grapefruit, for example, we put primarily into school lunches. The kids didn't go much for direct consumption of grapefruit juice, but we found you could mix some of it into the gruel, which was the main component of the school lunch, without changing the taste of the gruel so much that the kids would object to it. In this way we used lots of grapefruit juice, lots of candy bars that came from surplus army rations, this sort of thing were special items of supply and required special handling and distribution. But I must say that the main desire was to get the normal German machinery up and running. And in this sense, over the long term, the agricultural side of the function was far more important than food supply and feeding.

Q: Did you conceive of yourself as being part of an army of occupation, where the job was to make sure that the local populace was well under our control? Or was the primary philosophical approach the rehabilitation and resumption of normal activity?

SKILES: The latter. I suppose if you'd been there in the army during most of the battling, you'd have had quite a different outlook toward the people. But as in most everywhere I've been, people are people, and our job was to help get them back on their feet.

Q: You looked on them as people in an economy that was shattered and needed to be rehabilitated.

SKILES: Precisely.

Q: And, from a personal point of view, were you motivated in that direction in terms of the daily motivation to get going and produce results?

SKILES: You bet. But not so much directly, as in working with elements of the local population, to get them interested in, and organized to do things. Even with the school lunch program. In earlier days I had assumed that Germany was a leader in special feeding programs like school lunch. But I found, at least down in the Baden-Wurtenburg area, that I became quite popular for pushing the development of school lunches. We'd go out to schools that didn't have the lunch, and talk with them. When I say "we," in this case always with German representatives and

"them" is local and school officials. We'd, talk with them about developing the school feeding element of the program, and most of them were very much interested.

Q: So, you were operating throughout this period in an environment of increasing tension between the West and the Soviets. And whatever elements of cooperation that had been contemplated at the beginning quickly disappeared.

SKILES: Yes, I think that's an honest way to put it. I don't know how the expectations had been from the beginning, but certainly most of the planning had been based on the assumption that we could work together.

Q: That it would truly be quadripartite.

SKILES: Yes.

Q: But of course, by 1948, and the Berlin Airlift, if it hadn't been clear before that, it was certainly clear then, that that wasn't going to be the way it was.

SKILES: That's true. Prior to the blockade of Berlin and the airlift we had taken the next step which was to consolidate the bipartite, which became tri-partite, organization in Frankfurt. That's where we were - on the sending end - for the airlift, but actually all we did was carry out orders and coordinate the shipping end of food supplies. The decisions were made elsewhere.

Q: And, can you characterize how the German populace was feeling about their situation during that period? And how did it evolve?

SKILES: In all honesty, I don't think I had a very good reading on that. Some things you could tell from the workforce, the people working directly for us. We relied primarily on German staff - local hire - including secretarial and I must admit there was some reluctance on the part of the local hires. Some were not willing to cooperate fully, were still feeling very much put out that they had been beat and felt, I think, uncomfortable with the fact that they were working with and cooperating with an occupying power. I don't know how extensive that was, and I think it is fair to say that the vibes were somewhat different by the time we moved to Frankfurt. They became more like partners than collaborators. You will notice my reluctance to comment about the attitudes of the general population and that is because I don't think I know any more about it than any other reasonably informed observer. My impression was that there was a much greater siege and "occupation force" mentality in Berlin than down in the zone, but this was to be expected. One of the strongest impressions I had personally was the necessity to "put myself in their shoes" to be able to understand their motives and reactions and particularly to take into account the effect of their education and experience in order to anticipate their reactions. In a way this is the obverse side of the coin, but I was struck that in some circles their views of the U.S. had been strongly influenced by the works of Sinclair Lewis. This is what they had read, and they had no comprehension that we had read it too, but along with a lot of other things, and that the Chicago of Lewis was not really a picture of the U.S. Taking this a step further, if you

realize the confines or limitations of their previous exposure in their own country, what can you expect in terms of their true reactions?

Q: But in terms of the rehabilitation of the economy, did you have the feeling that the Germans were willing to work hard because they thought it was in their own interest, or did they work hard, feeling they were under the pressure of an occupying force?

SKILES: The reluctance I spoke about was not reflected at all by the people in the German organizations, which we were helping build. They had been chosen to help keep their people alive and were building for the future. Their ambition was to get things in shape so that they would be running it again themselves as quickly as possible. To them we were not the enemy, but the future.

Q: And by 1949, a substantial degree of autonomy was extended to the German government, partly because of this very split that was evolving during the years you were there, where the cold war became a reality.

SKILES: Sure. By 1949 Western Germany even had a political capital (Bonn) and a federal government.

Q: How much physical rehabilitation was achieved during the first four years after the war?

SKILES: It varied a great deal. My sense is that Stuttgart and Munich on one hand were cleaned up quite rapidly, but not reconstructed. Frankfurt, and a good part of the Ruhr were not even cleaned up to that extent. By 1948 there was still rubble at the railway site, which was across the street from the main hotel which the U.S. used during that period. More dramatically, in Berlin, the Western sectors were cleaned up in a hurry, and rehabilitation started quite quickly. In the Eastern sectors, I was back there as much as 10 years later, and they still hadn't been cleaned up. To use your four year framework, a great deal of rehabilitation had been achieved, but there still was a lot to be done. We were in East Germany in 1991 and the contrast between it and the West still was striking.

Q: The whole eastern part of Europe was suffering from the fact that the Soviet Union itself had been so devastated and they were under the gun from the Soviets and so resources were scarce wherever they looked.

SKILES: Sure. The main picture you had of East Berlin and the eastern areas around it in the mid-forties, and I'll grant you we didn't get out into the field much on that side, were of wagon trains moving further east, not of supply trains coming into East Berlin.

Q: Factories and other components being dragged away.

SKILES: Yes. Even equipment from houses: bathtubs, water heaters, that sort of thing.

Q: To sum up your overall experience there, do you think then that it was a significant contributor to your perceptions and understanding of the issues you were going to face in the succeeding three decades?

SKILES: Yes, indeed. Particularly with respect to understanding the people and their attitudes. I guess I have always thought that the problems, while different, were basically of the same kind. When you talk about the least developed countries, you don't have the previous infrastructure, the social infrastructure; not even the political organizations, like Germany had. But in Germany they were pretty well wiped out by the end of the war. They had an awful lot of rebuilding to do, and in the meantime, a real task to keep people alive. It was better than that, but not a whole lot better. One thing that's probably not very well understood is that in figuring out the import needs and the ration requirements, and so on, statistically we were stuck pretty much to a basic consumption of 1620 calories per day for normal consumers. That is a reflection of a poor people.

Q: Including what the local populace could get from the local market?

SKILES: Yes and no. Not everything consumable was on the ration. A fairer way of putting this is that import requirements were based on calculations of 1550 calories per day of rationed items for a normal consumer, an allowance for local production and imports essentially for wheat, pulses, skim milk and fats to help assure adequate supplies to meet the ration. Off-ration consumption was assumed to be the difference, about 70 calories per day. The scientists were telling us that 16-1700 calories per day total consumption is not much more than enough to keep a person alive and moderately active.

Q: But not adequate for a heavy labor job.

SKILES: Definitely not.

Q: It would take upwards of twice of that before you would begin to approach the calorie requirements of a person really working hard, wouldn't it?

SKILES: Right. The ration system did allow for higher rations for workers but not that high - and this problem also, of course, gave rise to some special distribution programs for workers in the Ruhr, for example.

Q: And were you directly involved in making those evaluations? And responding to the requirements and finding ways to meet those requirements?

SKILES: Yes indeed. That was the job, but I would emphasize that the standard-setting was done in Washington and our Berlin office. I was more involved in the means of meeting them.

Q: And do you think that you succeeded in having that theoretical ration level fairly equitably distributed?

SKILES: I suppose it's fair to say that that was our feeling, in the full knowledge that no ration system ever works really equitably.

Q: When you say ration, are you speaking of that in rather rigorous terms, that is to say, people had to have a ration ticket for whatever they bought?

SKILES: Almost everything they bought, yes.

Q: Everybody was on a ration?

SKILES: Yes.

Q: So, in that fashion, you could keep reasonably tight control over virtually everybody's consumption level -- each individual person and community.

SKILES: In theory yes, in practice I doubt very much that that was the case. There are always informal sources of supply.

Q: And backdoor arrangements.

SKILES: I mentioned earlier that the money wasn't worth much then, but there was a lot of barter going on. And who can blame them? They were hungry people. The main thing they want is food. Porcelain or some clothing they don't mind too much getting rid of, and if they get to barter it for food, they'll do it.

Q: They could run a backyard garden that you wouldn't necessarily know about. They would supplement their available supplies that way.

SKILES: Right. Of course, we Americans weren't doing the rationing. We weren't running a ration program, in the sense of distributing the ration tickets, and so on.

Q: You were supervising the operation of the ration system.

SKILES: But my point is that since the Germans were doing this, they had much better ways of getting down to the grass roots to the consumers than we ever would have had. The original point, though, was that Germany 1945-47 was a pretty poor economy.

Q: You were doing this in the period when both the high level Nazi officials and lesser officials subsequently, were being tried. And I suppose you were always wary of the fact that you were dealing with people who might need to be or ought to be under suspicion -- prior connections or activities that might make them subject to being charged with some kind of war crime.

SKILES: Definitely. I suppose what I'm going to say is obvious. The U.S. had a pretty strong vetting system. And in our efforts to get the German machinery built up again, clearance work had to be done on the Germans. Before a guy could become Minister of Agriculture, for example, although a much better example would be a much lesser job, he had to go through the American vetting processes, and these were very similar to those that resulted in a lot of people ending up in Nuremberg. But most of them were thought to be sufficiently clean (or at least not good Nazis) that they could work in the new administration.

Q: You were emphasizing the fact that you were working through the German operations and facilities and structures. But nevertheless, you were in an occupation role, and in this sense, very different from all the subsequent roles that you had operating in other countries. Still, as you say, I gather that this did help provide a body of experience that you could draw on later.

SKILES: I feel a lot of similarities. It's true that we would hand down the ration schedules, and we would inform the Germans where the food had to come from. Sometimes out of their pockets, sometimes not. But then it was up to them with us looking over their shoulder, to get together to work out means of accomplishing the job. And that was pretty much true in most of our later developmental activities also. We worked closely with a given element of the local population, in seeing that they developed institutions and organizations in their own country and by their own people.

Q: Were you involved in Germany at the macro level at all, in terms of making judgments about or policies concerning the counterpart proceeds of grain imports, for example? How this was to impact their budget? Or did you only work with and be concerned with the physical supply elements and distribution problems?

SKILES: Basically the latter. We were the food and agricultural element. Other parts of the U.S. staff were responsible for over-all planning, including currency reform and stabilization in which imports become a major factor - and in this case the imports were primarily food. For the first two or three years this function remained in Berlin.

Q: O.K., so maybe that does a pretty good job of sketching what you were involved with in Germany. You finished that assignment in 1949?

SKILES: Actually I left in the early fall of 1948. We had had some meetings of the minds on tri-zonal organizations and operations by that time, on an intergovernmental level. The various bi-zonal control groups were pulled out of their local niches, which were scattered around, in a sense, throughout the American and British zones, and pulled into the center, which became Frankfurt. At this time you had a more rapid diminution of the role of the folks in Berlin, along with a growth in the responsibilities at the bi-zonal and tri-zonal levels, handled out of Frankfurt. The German organizations were, of course, becoming much more viable during this period.

Q: They were beginning to assert their own leadership roles and responsibilities.

SKILES: Yes.

Q: So as you drew that exercise to a conclusion, did you have the feeling that you were leaving something that was soon going to be devolved into German hands, and the major task of the occupation authorities was drawing to a close?

SKILES: This is a mixed question. Basically, yes, because administration was to devolve rapidly, as was planning and parts of policy, but the control feature continued as an allied responsibility. West Germany was not being turned loose in that short a time span; we were not about to leave.

Q: But as things actually evolved, after about the time you left, there was a fairly rapid evolution toward turning responsibility over to the West Germans.

SKILES: That's true. Germany was one of the earlier participants in the Marshall Plan, if you recall, and that changed the focus quite a bit. By this time we were much more into rehabilitation and not as much in the relief side of things. I should say that I didn't leave because the job was finished. I thought I had spent enough time in Germany, and I found it quite attractive when some of the people who were in the special mission for aid to Greece invited me to join them. This also was a circular kind of thing, because some of the folks down there were people who had been in responsible positions in the Surplus Market Administration when I first went to Washington. In that sense these were old acquaintances. I'm thinking in particular of a trade group that came up from Greece, made up primarily of Americans, trying to see what they could do by way of exchanges between Germany and Greece, or by some kind of tradeoffs in our assistance programs that would be mutually beneficial. It was because of their influence that I went to Greece, at about the time ECA was being formed. The Marshall Plan European headquarters in Paris didn't exist when I first agreed to go, but it did exist by the time I actually went to Greece, and I immediately got involved in the ECA bureaucracy at that time. Several times meetings were called in Paris that I attended. Averell Harriman was the director of that office at that time.

Q: So in effect, this was your entry into the foreign assistance field that occupied you for the next thirty years.

SKILES: That's true.

Assignment in Greece and the U.S. Mission in 1948

Q: What was your role in Greece?

SKILES: I went down there to be, in effect, the import control officer. That was one of those situations where, at that time, the U.S. was providing the bulk of foreign exchange for imports. The mission had a trade division which had an import side and an export side. I went down to take over the import side, and I guess its functions were pretty well self-defined. It was to

program and monitor the use of foreign exchange availabilities, whether provided by the U.S. or out of the Greek economy, to use for essential imports. This required a sort of a rationing system and import controls. But not long after I got there this whole trade function was transferred to the government of Greece, out of the U.S. mission. I didn't want to go to work for the government of Greece, so I stayed with the mission and became a special assistant to the mission director. There were two of us, and basically we tried to cover the waterfront for the Director and the Deputy Director for Operations, to screen virtually everything for them. An example of our functions vis a vis the Greek Government was to provide the staff work and to attend with the Deputy Director for Operations of the U.S. Mission, Ken Iverson, his weekly meeting with the Minister of Coordination.

Shortly after I took up this job, the Washington ECA office, in preparing the congressional materials for the upcoming year, decided to add an element into the appropriation request that they had not had in there earlier, and that was for technical assistance. So we were asked, as were the other missions, to get up an illustrative technical assistance program in a big hurry, and I was given that job in the mission. My functional description was an overall special assistant, but basically I became the SA for technical cooperation fairly early in the game, and this lasted most of the time that I was there.

A little anecdote: we responded to the Washington request for program submissions and they were asking for \$25 million for the whole ECA area for a year, and we got up some programs, not all of which were all that practical, which added up to about \$22 million, as I recall. As soon as the wheel turned sufficiently far, we got a cabled authorization out of Washington to proceed with the \$22 million technical assistance program. I guess what had really happened was that the other missions weren't quite in a position to get up many good and practical sounding projects that early in the game, so Greece was authorized more than it rightly deserved; and more than we could sensibly use.

Q: The Greek-Turkish aid program began in 1947, if I remember correctly. And it operated initially as a kind of independent entity, there being not yet at that time any Marshall Plan. The Marshall Plan formally came into existence, if I remember correctly, in April 1948, and missions began to be established in all the other countries. But because of the Greek-Turkish aid program, the Greek and Turkish missions were well ahead of the others in terms of having evolved and formed a system of operations and a structure, so were able to be out in front.

SKILES: That's the point I was trying to make. We had the people already on the ground. We had, for example, an industry division that I suspect few other missions had at that point, and the division chief not only had ideas, but he had people working in certain parts of the industrial activities in the economy. Similarly in food and agriculture, when you have that sort of competence available, it is a much shorter step to get on paper a program that can be presentable and useful for discussion purposes, than it is for a mission that just doesn't have those kind of people.

Q: What were some of the principal elements of this technical cooperation program?

SKILES: Oh John, it's been a long time since I've thought about that, but basically, except for a couple of fairly largish surveys in water resources and in the industrial sector, I don't think they varied all that much, except in terms of projected size, from the things that we did in the TCA countries, very shortly thereafter. The question of agricultural development was not so much a question of what you do, but how much of it do you do? In all those places we saw a need for a local organization to do the things our extension service did here at home. You can approach that as a very small service with a very few people in a Kenya a few years later, or in a Greece, where the proposal was for a country-wide program, a fairly big program with a large number of people.

Q: *You mean Americans?*

SKILES: Both. Americans and locals. So I think that determines the magnitude and the dollar figures a lot more than the types of activities. Also in Greece we were not averse to "doing things" as contrasted with the later emphasis on demonstration projects.

Q: *The whole character of the program in Greece, however, was more of the sort that would have been characteristic in a defense support country, than in a country where technical cooperation was our primary function. You would try to rehabilitate the economy as a means of both overcoming the insurgency and of gaining a political alignment within the country that would be supportive of our posture vis a vis the communist threat.*

SKILES: Yes. It was, indeed, a forerunner of what came to be called Defense Support or Supporting Assistance, in which crucial factors include foreign exchange utilization for essential imports and the employment of resulting local currency or counterpart availabilities. One of the primary concerns was protection - I can't say stability except in the sense of trying to reestablish stability - of the Greek currency. The U.S. also had considerable participation on the military side.

Q: *Sure.*

SKILES: And there's another distinction, and that is that the aid program at that time was basically a headquarters kind of operation. We had people in the field, but we'd have, for example, one man in a city up country, another in a mid-sized city mid-country; maybe a dozen of these field representatives. We didn't really have program operators in those places. You mentioned the insurgency - security was certainly one of the great inhibitors once you got out of Athens.

Q: *Did you have any large force of contract personnel working with local institutions?*

SKILES: Well, I don't know how to answer that.

Q: *No university contracts, no road building contractors? How were these things being done?*

SKILES: The reason I don't have an answer, or don't quite know how to answer is that when you got hold of something like a major dam development and irrigation project, initially the problem with the project is what kind of a dam do you need and how do you get it constructed? Well now, for this sort of thing, we would use an EBASCO. In that sense, yes, we had contractors. But we didn't have such things as university contracts in institution building.

Q: *EBASCO meaning an engineering and construction firm?*

SKILES: Yes, who were supposedly very good in the power generation field.

Q: *Electric Bond and Share, by name, in the old days?*

SKILES: This is a complete aside, but by the time I got there, they had had a change in mission directorship, and the name of the new mission director was John Nuveen. I say this in response to your comment about Electric Bond and Share. Yes, it's the John Nuveen of the Nuveen Securities family. His predecessor in Athens was a former and well-known mayor of San Francisco.

Q: *In those days, the programs undertaken in Europe were able to command the participation of a lot of high level people, both from industry and from government, because it was, after all, the primary thrust of U.S. foreign policy at that point, right?*

SKILES: I think that's right. True also in Washington. The people who were in ECA and in the upper layers of the State Department were not your run of the mill politicians, nor by and large were they the people who had gone up in the foreign service. This kind of service was relatively new and certainly challenging to a number of big names.

Q: *Sure. How long did you stay in Greece?*

SKILES: Not so long. I came back here in 1950. And I then had to face the real difficult decision again of what to do, whether to stay in the foreign field (and if so, what to do within it) or whether to go back to domestic activities. This became somewhat crucial to me, because the man who was primarily responsible for taking me to Greece, and who had been deputy administrator of SMA some years earlier, had returned from Greece before I did, and was at that time one of the nameless special assistants to the President, the President being Harry Truman. He invited me to join his little staff over there, and I can tell you it was difficult to avoid taking advantage of such an opportunity. However, I concluded that I really wanted to stay in the international field.

I suppose the logical thing to have done would have been to go with the ECA in Washington at that point, but I thought that if I were going to stick with the international field I ought to get all the way into it, rather than continue with the presumed to be temporary agency that was running the Marshall Plan.

Q: Which is to say ECA, the Economic Cooperation Administration, right?

Joined the State Department and pre-Point Four planning - 1950

SKILES: So I went with the State Department proper.

Q: *More specifically, the Technical Cooperation Administration?*

SKILES: No, this was before TCA was born. It was with the management staff actually, which is always a good place to start in a different agency. I had a number of functions. Among those that were directly applicable to later activities that fell to me were memberships on a few working groups and staff committees, but primarily the working group on Near East policy.

Q: *And here we're talking about mid-1950?*

SKILES: Yes, early to mid 50. I guess I'd better be more specific on this one because of a few things that happened just a short time later, but I think it was March, 1950. The Working Group on Near East Policy was to some extent an interagency committee, but primarily from various parts of State. Its chore was to try to hammer out some policies and principles with respect to our views and treatment of the Arab states, Israel, and related problems and peoples. (A little bit later there was one on Korea when the Korean War broke out, but this was entirely different. It was primarily a backstopping committee chaired by Alexis Johnson.) One of my early assignments was to accompany a man from the Bureau of the Budget on a trip, around the world in a sense, but primarily in Middle East, South Asian countries. His charge was a rather general one: to look at all the U.S. programs involved in that area, State Department's functions and activities, U.S. information activities, etc. Mine was, of course, a bit more limited, focusing on State's activities and somewhat informally trying to measure each local American institution in terms of its capacity to head up or carry on assistance activities if and when they came to the area.

Q: *And all of this was in light of the Point Four speech, the inauguration speech of 1949 and the effort to formulate programs that would go beyond the Marshall Plan in the world?*

SKILES: That's largely true. Certainly it was true for the early parts of the trip down through India. There were different influences at work in Thailand and the Philippines. We already had programs working there. But if you want to put it all in one basket, yes, that was basically what we were up to.

Q: *You have to remember that there was rapidly evolving a foreign policy environment in the period 1949-1951, after the creation of NATO and the Berlin Blockade, and the outbreak of the Korean War, in which security considerations and cold war arrangements began to emerge as the primary motivation for all kinds of things in foreign policy.*

SKILES: Times were a changing. You're right.

Q: So you were looking at what kinds of institutions? You spoke of U.S. institutions. What kinds of institutions were you examining?

SKILES: Primarily the Embassies in terms of their capacity to organize and supervise programs. In simple terms, you go into the embassy in Tel Aviv and Amman, in Beirut, in Damascus. You see what kind of people are there, what their interests are, what they would likely be able to do, if they were asked overnight to work with the local government in trying to see if there was a need in their view, as well as ours, for technical cooperation.

Q: But at the time, those embassies were pretty modest entities, I would imagine. And performing essentially diplomatic functions.

SKILES: Not necessarily the latter, but the former yes. I don't recall any until we got to Bangkok, where I thought that the present staff was a competent and capable small group of people that, if you decided to mount a bigger program there, they could do it. Or to put it another way, you wouldn't be likely to move in a group from outside who would be as capable of doing it as those people who were already there. But all the others just didn't have that kind of people.

Q: When you speak of such people, were these people in the economic section of the embassy?

SKILES: Well, I suppose that's where you would find most of them, if they were there. But you didn't have much of an economic section in most embassies at that time, either.

Q: You had an embassy in Tel Aviv, but it wasn't engaged in administering any kind of program at that point, was it?

SKILES: No.

Q: We didn't have money flows into Israel yet.

SKILES: Not official money flows. This leads to a point that we'll want to come back to later. But I've always considered in these situations that the responsibility really is in terms of what the U.S. is doing in a country, and not only what we happen to be doing with our Point Four program, or, in the case of Israel, with the combined relief program and Point Four. In that case --

Q: But there wasn't any Point Four yet, was there?

SKILES: No.

Q: The Point Four program had been enunciated by the President, but you were part of the planning to implement it, which didn't really come into being until 1951, isn't that correct?

SKILES: That's about the picture. But to finish the thought on Israel, we'll come back to it, much later, I trust. And that is, that a lot of American help was going into Israel, even at that time. The embassy, was of course aware, but I don't recall that they had much of anything to do with it, other than to talk to visiting firemen.

Q: That is to say, you had United Jewish appeal money going in, and that sort of thing.

SKILES: Sure. But not official government assistance. As an aside, we got there, in that particular part of the area, at a bad time. I suppose it was while we were in Tel Aviv, before we left for Amman, or maybe we'd already gone to Amman, somebody threw a bomb in the Ambassador's backyard in Damascus. So there were different kinds of excitement that people were kind of caught up with at the moment in that area.

Q: Unfortunately, that was not the last time that happened.

SKILES: No it wasn't. But one element of what I thought was a revealing outpouring at that time was that in Tel Aviv, in the Embassy, you heard only one side of the story. Certainly in Damascus, where we had a very reputable ambassador, his convictions were such you heard only the other side of the story there. And it struck us that the U.S. was not well represented in the areas as contentious as that, by people who took sides on the side where they were stationed.

Q: Did that ever cease to be the case?

SKILES: I think it got toned down quite a lot, yes.

Q: I remember Lincoln Hale. Was there ever any more dedicated supporter of Israel?

SKILES: Well, I take your point. But Lincoln Hale was sort of a convert, in that he was basically a very religious man, and to him this was the Holy Land. He was not Jewish; I think he wouldn't have gone there if he had been. Secondly, while I think the principle should apply to the assistance people, too, I believe it is much more important that the diplomatic people retain their objectivity and avoid becoming too partial.

Q: Not to depart from your point, really. Just that, in my subsequent experience, I think I would tend to feel that at various levels, people got caught up in the attitudes and position of the countries in which they were functioning, and tended to represent those ideas very strongly.

SKILES: It's bound to be true. I can agree with you, and still think that beyond a point it's wrong. In the early days of the Point 4 program we did quite a bit of indoctrination to try to head off the tendency to "go native." It isn't easy to retain the objectivity of a U.S. representative and still build cordial and sympathetic relationships, but that, I think, is what is required.

Q: This is an interesting point. This whole planning survey trip I think is something that your experience should be elaborated on, and I don't mean to interrupt you. I was just trying to draw out of you some feeling as to what you were finding there in the way of -- in the past you were saying it was shallow, it was limited, in Near East countries in general. And finally, when you got to Bangkok, you say you found some greater capacity to handle some kind of input.

SKILES: Yes, they had some first rate people in Bangkok. Some people who had held responsible jobs in the Department in the E area, the Bureau of Economic Affairs, or in the economic side in the regional bureaus, and they already were concerned with and working on the kinds of problems with which an aid program would be concerned. But by and large it was a pretty disappointing kind of reaction. Disappointing in the sense that you get the feeling that if you ever get in the position where you want to do something here, you've got to move in new people to do it. In a way that was bad news to us, at that time.

Q: But surprising?

SKILES: No, not surprising, but you would hope that you would be able to take advantage of existing U.S. people and structures, rather than send in new ones.

Q: But these people were essentially diplomatic representatives rather than operators? Is that fair to say?

SKILES: Well, we shouldn't quarrel over words here, but yes, that certainly is true. Most of them were doing reporting and consular functions. That's the trouble I have with your phrase, "doing diplomatic functions." Most of them were not involved with diplomacy as I would like to define it.

Q: But a diplomatic establishment is an establishment which is concerned with analysis and reporting. And with interactions with the government on issues of policy, whereas the kinds of people that you were looking for and hoping to find, weren't perhaps likely to be found in such modest sized diplomatic establishments.

SKILES: Touche and yes; that's the additional point I was going to make. You have to remember at that time those missions were mighty small. There just weren't many people. Jordan was a new country, Amman a new and very limited Embassy. You go into Kabul in 1973, there was a big embassy there, but if you went in there in 1950, it wasn't a big embassy at all.

Q: Sure, Angus Ward was the big name. Nobody else mattered much. Had Angus gotten there by the time you went through that region? I think he didn't go there until 1951.

SKILES: Actually, we didn't do Kabul.

Q: But you went to Karachi?

SKILES: Karachi was a very new embassy. New Delhi was a new embassy, too, and Americans were in some considerable measure strangers to this part of the world. Things have changed so much that I don't even at the moment remember the embassy building in New Delhi. It disappeared long ago, and speaking of size, the American physical establishment in the sixties was huge compared to what it was in 1950. Karachi I remember very well, partly because Ambassador Warren, who had recently come down from one of the Scandinavian countries, a most entertaining man, and I thought a very astute one, was most helpful in getting us an education on an area that neither of us had been to before. And it was different.

Q: And seething. So, this was your first exposure to South Asia.

SKILES: Yes.

Q: Characterize a little further for us the expected outcome of your survey. What would it lead to if it had the kind of outcome you had hoped.

SKILES: I'm not sure that I know, John. This was an internal report, a function of the Management Staff which was part of the Management and Budget Office, and the real question is as to the effect on the thinking of some of the people who were going to have to make judgments on organization and financing. Not all of those were in the State Department and I doubt that I hoped there would be much if any circulation outside the Department. In fact some people regarded it as too critical of the Department and potentially embarrassing, particularly if it got in the hands of people conducting hearings on Capital Hill. With regard to my immediate supervisor and his, the latter being at the Assistant Secretary level and in a fairly potent position, its major tendency would have been toward a separate relatively independent organization, certainly not imbedded in State's normal bureaucracy, and separate field staff. That, of course, is what happened.

Q: It was in some sense an element of the planning process toward the formulation of what eventually became TCA, the Technical Cooperation Administration. And yet, there was probably something of a tug-of-war going on, if I understand correctly -- the environment of the time -- where, several missions in East Asia, which eventually evolved, were mutual security agency activities, not TCA activities. That is, they were put into being as part of the cold war struggle explicitly, rather than as "we're going to help all of the poor folks in the world -- Point Four" approach. How do you react to that?

SKILES: Without subscribing to that characterization of Point 4 precisely, I'd have to say that the basic thesis is correct. It's true. Many of the serious discussions and decisions came later, but even in 1951 we (TCA) were engaged in discussions with ECA/MSA about some of those countries in the Far East and there were some conclusions following along the lines you've suggested, although there were some other features involved including some activities already underway in the Far East for which TCA had no particular competence. Also there were a lot of ambiguities with regard to Africa, largely stemming from relationships of much of that continent to particular European countries. It is my recollection that most of the final decisions

weren't made until after the U.S. Presidential elections of 1952 and Mr. Stassen's appointment as Director of Mutual Security. He was then responsible for both agencies plus some other functions. But that is really a later chapter.

Q: If I understand correctly, TCA remained a part of the Department of State until 1953. Mutual Security Agency, which was the successor of ECA, remained outside the Department of State as a separate independent agency reporting directly to the President.

SKILES: True, now, if you'll remember, and this is the point, Greece and Turkey at that time were still in MSA, not in TCA. It was the next reorganization that took care of that one. Similarly, although ECA was basically the Marshall Plan, and its basic thrust was in Europe, there were missions already in existence, in addition to Greece and Turkey. In the Philippines, to some extent in Korea, and as a result, in the early days, when there were discussions between TCA and ECA, over the amalgamation, it was decided to leave those areas and much of Africa, strangely enough, in ECA. Why Africa? Because most of Africa at that point -- our involvement and our interest, were because of the European ...

Q: Metropolitan powers that were administering African territories.

SKILES: I shouldn't make too much out of this, because it's a question of timing and various reorganizations which resulted in bringing the things together...

Q: And the evolution of history. If you were traveling through Asia before June 1950, it was pre-Korean War. After June was after Korea, and things changed very rapidly after that.

SKILES: Yes. It makes me laugh at myself in a way, because the one place that I thought looked like the U.S. had already done enough by way of economic assistance and ought to start phasing out was the Philippines, and that was way back in 1950. I guess we put a lot more in after that than we had before.

Q: So how would you characterize your feelings about and whatever resulted that you could perceive from your trip through that large region?

SKILES: On a substantive side, just what I've been saying. That if you were going to do programs in most of those areas, you would have to start from scratch and provide people to go in and help to churn it along with the locals.

Q: Looking at this, with the perspective of having just recently come out of Greece and the whole effort to make a program go there.

SKILES: Not strange. That is the path we took in TCA, and I think it was possible only because TCA was set up as a separate agency within the Department, rather than as a part of the regular State Department framework. Secondly, I was fascinated by the Middle East. Although I already was working on it I had not traveled through it much, and I have contended always that you can't

really understand these places unless you've seen them, felt them, smelled them. Thirdly, those countries faced daunting problems and they sure could use some help.

That trip took place early in 1950, and so far as I know I had no intention at that time of going with the Point 4 program less than a year later. This was part of a most enjoyable year in the Department, but during the course of it I decided that it was much more interesting working with programs than it was with ideas and papers even though some of those were pretty darn important. I'm sorry I don't still have some of the papers from the Working Group on Near East Policy, for example, because in some respects they were pretty wonderful documents. The reason I don't have them, of course, is that they were highly classified. There were a number of other useful, and certainly educational in terms of what came later, assignments including the management member of the Korean Task Force and a detailed survey of the Bureau for Near East, South Asia and Africa, including recommendations regarding its organization, relationships between the economic and political functions, and so on. An interesting year.

Q: At the end of 1950 and coming into 1951, what transpired in your life that took you to TCA?

SKILES: First the negatives. I mentioned earlier that the management staff is a great place to start when you go into a different agency, but the corollary of that is that it is not something you want to stay with indefinitely. Second, while earlier I thought I would have been delighted to go into the regular Foreign Service - and that was the current thrust in the Department - I had concluded gradually that I was too much of a maverick to be in that system, I think primarily because the freedom of choice was to me a very high priority. On the positive side it was essentially what I've just been talking about, that is, it was a lot more fun, more interesting, to be working with action programs; and second as the new agency to handle Point Four started to gestate I decided that maybe that was the place for me to be. How are you going to find a more interesting, challenging and promising action program than that - and one to fit my own interests? Paramount, of course, is that the opportunity presented itself in the form of a most interesting job offer - staff assistant to the Administrator, coordinator for the Near East, South Asia and Africa.

At the creation of TCA

Q: So you went to work for Dr. Bennett.

SKILES: For Dr. Bennett. He was a wonderful man. I did quite a lot of work for Dr. Bennett.

Q: We should explain that Bennett was the first and illustrious director of TCA.

SKILES: Yes. Actually Ambassador Kapus Waynick was in charge for a short time pending Dr. Bennett's arrival, but Dr. Bennett was always "in the cards" and he was the heart and soul and symbol of the agency - and the program.

Q: Former president of Oklahoma State University?

SKILES: Yes, and well-known as an agriculturalist. He had done a survey out in Ethiopia sometime earlier and years after that I kept running into references about Dr. Bennett's recommendations on things to be done on Ethiopian agriculture. This is the kind of reputation he had, and one of the reasons he was so helpful in TCA. Curiously enough, he was not a trained agriculturalist, at least not in the academic sense. I remember the first time we were getting ready to go up for a little work on the Hill, euphemistically referred to as the Congressional Presentation. There were three or four of us sitting around trying to get him briefed. He got a little tired of it, and he finally sat back and said, "Gentlemen, I want you to know that when I went to school I studied Greek philosophy. I'm a Greek scholar. I have not forgotten how to conjugate a verb. I think I know how to deal with people who appropriate funds. I've been doing it for years out in Oklahoma, and I doubt if these good people up on Capitol Hill are much different. Don't load me down with too many problems." And he was right. That's the way it worked out. I never saw such a honeymoon as he had with a few of the committees on Capitol Hill.

Q: So take a minute, and talk about what you recall about the people who were putting together the ideas for programs in a fairly wide swath of developing countries, or at that time referred to as underdeveloped countries, and what we thought it would take to turn them around into modernized countries.

SKILES: I think you can almost divide this in two, John. I'm not sure I'll recall these titles correctly, but on one side we had a planning office, headed by Haldore Hanson.

Q: Hal Hanson who later became Southeast Asia Assistant Director.

SKILES: Yes, and an economics advisor's office headed by Sam Hayes. They had staffs and they were writing most of the think pieces constructing the philosophical justifications, that sort of thing. Our basic organization was a functional organization reflecting the fields of activities in which we thought our programs would be concentrated. We had a division for agriculture and water resources (Clayton Whipple), for commerce and industry resources (George Ross), and a third for health, education, and human services (Cy Fryar). Then two of us were serving as area coordinators. We did not have the operational responsibility of the functional division. We did not have the think piece responsibilities, by and large of the planning office or the economic advisor's office. But we were in a sort of position of pulling the two together, bridging the gaps, and particularly of bringing the country focus to things. You know, you can talk all day of the necessity for improving agriculture, but what a Dr. Bennett wants to be able to talk about are specific things in Egypt or Ethiopia, the reasons why we think they would benefit greatly from the adoption of a system (such as the agricultural extension service provided in the U.S.) to bring the knowledge already gained somewhere else to those people on the farms and in the boondocks, who, after all, are raising the food. In most of these countries there was no mechanism for getting the information or intelligence out to those farmers. He wants to be able to talk about specific things in a specific setting. In a way this was what I primarily was trying to do in the Middle East, South Asia and Africa. I ended up with the unholy job, when it was decided to

make a country by country proposal for appropriations, of writing most of the country program briefs. And it was all right except that I couldn't think of all that many different things to say.

Q: Hard to make Iran look any different from Egypt.

SKILES: At that stage, yes.

Then there were two other key elements. The General Counsel (Phil Glick) was essential to both the concepts and the drafting of the bilateral agreements; and the first Director of Administration (or whatever his title was) Marcus Gordon had a key role in putting things together and helping to make them work.

Q: What I'm fishing for a little bit here is your perception of yourself and your colleagues in terms of what your picture was of the outlook, as you were working on this in the earliest 1950s. Do you think of 1959 as the year when you would have revolutionized the world and turned it around? Or did you think that in 1999 we'd still be looking at serious problems?

SKILES: If those are the two choices, the latter, no question. The emphasis was on institution building, and that is not a short term proposition. In personal terms I was also looking backwards to the Idaho of my youth, which had many of the same kinds of problems being faced by the countries we were looking at. A lot of progress had been made in Idaho over the past 20 years - but not in these countries, and this is an opportunity to do something about them. The political argument is overwhelming to me. What the United States really wants, or ought to want, is a relatively peaceful world in which to live in ever-progressing terms. We try to help with conditions which make the outlook different from what either of us would like it to be. This would be true even without the competition of the Soviet Union, but being products of the times naturally we put heavy emphasis on the concept that those downtrodden people are going to do "something," and we'd better be there soonest with a better alternative than the Soviet style "something." But the basic process is a long one and we had no concept that we had all the answers at the beginning. Answers would have to evolve. To cite the old bromide, the Marshall Plan was directed to the rehabilitation and reconstruction of countries which already had trained personnel and significant infrastructure damaged by the war, but we were going into countries which by and large lacked that trained personnel and that infrastructure.

Having said all that, I must admit that we had a few labels that might imply a short term commitment, such as "our job is to work ourselves out of a job" and to concentrate on demonstration-type projects. But both of these, I think, were directed to methods of operation rather than total time-frame for association of the U.S. with the country or a "turn-around." The first involved the concept that the main task was to train the local people, let them grow with the operation, and hopefully before too long you could dispense with the foreign advisor. The second was to help develop a local institution, to meet local problems, on a relatively small scale and not to accept the responsibility either financial or technical or operational for a big national program. It had to do with both size and duration. The implication of course is that you might well try to put finite terms on a particular program or project in terms of U.S. participation (we

saw heavier emphasis on this later on) but the problems were deep-rooted, the solutions had to be long term, and were heavily dependent on such factors as political developments over which we had little control. I think at that point we were after starts and progress rather than timed solutions. Bench marks as a method of determining or measuring progress were always there, conceptually, but the heavy emphasis on bench marks and quantification came much later.

One of our principles, sometimes difficult to adhere to, was to avoid operational costs, continuing costs of running the institution; that is, to be willing to help with the investment costs involved in a project, but to get local commitments for the continuing costs. One method we borrowed from the Institute for InterAmerican Affairs was a modification of their "servicio" approach. Part of our initial Point Four agreements involved setting up joint funds so that the cooperating country was committed from the beginning to provide certain kinds of funding.

Q: What, in light of things that have evolved since, I'd still be interested in your elaborating a little further, is whether you feel that those folks struggling, including yourself, with formulating ideas of and projections for what was to be done, that we were going to take U.S. experience and transfer it, more or less lock, stock and barrel, or were we consciously planning to evolve new approaches in the individual countries, adapted to those countries' situations?

SKILES: An interesting question and one with a seemingly easy answer, which is that there was no intention to use the "lock, stock and barrel" transfer approach. At the same time, for our own bureaucratic reasons we were required to present illustrative programs and these probably were pretty much of the "made in the USA" variety. Education, agriculture and health, and to a limited extent commerce and industry, had been identified as the fields of activity in which the lesser developed countries were far behind, where the pressures for change were likely to be greatest and where the U.S. experience had some relevance. I think what you do is take the advantage of our background and experience into a local situation and, along with the people there, figure out what needs to be done there. It was often said that we don't want to reinvent the wheel, but neither do we want to make a transplant that the patient may not need. You can't really transfer the U.S. experience but you can use it to help analyze local problems and help articulate prospective solutions. Let me illustrate by one of the techniques we used in early training or indoctrination sessions. Use a country profile for a setting, but instead of letting the agriculture people look at the agricultural problems, give them health or education, and make the same switches with the other disciplines. The idea is to get them out of their U.S. mind-set and the tendency to transplant, force them to analyze situations with which they are not familiar and try to devise solutions for those situations.

Q: So you went plunging into your experience of Point Four. Tell us about some of the major things you were directly involved in in the ensuing years.

SKILES: Let me briefly summarize them, and then go back and start all over again in more detail. For several years, I stayed with the headquarters operations of that organization, with some shifting around of countries, based primarily on the kinds of programs we had, and of

organizational alignments and realignments. Then I was in field missions for four or five years, back in Washington for five years, then...

Q: Can I get you just to focus on the years you were in TCA per se, first.

SKILES: Yes, if you prefer to do it that way.

Q: Then we'll talk about your later experiences. But just summarize and then elaborate a little bit, specifically from 1951 to 1953, when you were in the TCA organization.

SKILES: I was going to ask you to give me some parameters, because to me this, with some jolts, starts, and stops, is pretty much a continuing sort of thing over the years.

Q: TCA had a certain culture which was different once you got folded into the worldwide operations of FOA. There was a certain culture under Dr. Bennett and Stanley Andrews that didn't carry over after it came under Stassen.

SKILES: Yes, I suppose that's true. You know, some of us have never quite given up on the culture, and it causes trouble from time to time.

Q: Tell us about it. But focus first on this marvelous two-year experience in the Point Four program as it was.

SKILES: Okay, but I think I would characterize the culture not so much as helping poor people wherever they were, but as helping create conditions and institutions which would make it more likely that they could pull themselves up by their own bootstraps. To help them develop the conditions in which it may be possible to channel their aspirations in a peaceful and non-threatening framework.

The formative days. I mentioned the functional organization. Perhaps I should deal first with the other side of the house I alluded to, the staff side, in terms of the policy papers, the book work in a sense, the rationale and the framework. But as soon as the program was authorized by Congress then you had some additional, crucial jobs, and in the early stages the main things were to get a fix on programs or projects field by field, in the chosen countries. It made sense to have agricultural people shaping up the agricultural projects, working with the Department of Agriculture, Interior, and others in deciding where staffing ought to come from, what kinds of arrangements you ought to make, and this sort of thing. Now, keep in mind, in effect we started with very little. TCA originally was a handful of people and very little staff. We had hiring and contract authority, but I'm not sure we had the confidence to do it, given a free hand. We also had a lot of competition from other government agencies who wanted to be in on this new popular idea, the fourth plank in the President's address. Perhaps the U.S. Department of Agriculture was the main one. Their view, and mine if I'd been over there, I suppose, would have been that we in Agriculture ought to pick the people to send out to the countries, to get agriculture projects going. We in USDA will supervise them and backstop them in USDA. But

TCA didn't want to be just a financing agency, and our view was that you needed an arrangement whereby the other agency would help with selection and training of people, but the people would become employees of TCA and be backstopped by the agriculture division in TCA. The key, though, was to develop agriculture projects from a country - not a U.S. - framework. So arrangements had to be worked out with the other agencies, with potential contractors, with the effort to get some of the universities interested, both in providing individual specialists and in some cases for the university to take on a contract basis a segment of the program in a particular country. Basic concept: an integrated field mission.

Q: It was a matter of evolving a whole new set of interrelations between the departments and agencies of the U.S. government on the one side, and institutions outside the government, as well as-

Here we are with Victor Skiles of AID, doing a third tape on the 6th of December, 1995, and we will pick up where we left off at the end of tape two, discussion of Vic's experience in TCA. Vic, what do you want to tell us next?

SKILES: Well, I think I'd been talking about the importance of the functional approach in working out initial arrangements for program operations and had about come to the point of the reorganization from basically a functional approach to a regional approach, with the individual countries as the basic working unit. The real purpose is to make sure that you are developing local programs, rather than strictly "Made in America" programs. My prior function had been as an area coordinator, virtually for the world that we were interested and involved in, except for Latin America. This was a staff function and most of the work was done in the three substantive divisions. On the reorganization, the regional administration became the focus of responsibility for developing country programs and for carrying out programs, and the functional specialties became "staff." We may come back to this later. I think it was quite significant, if for no other reason than basically through the years despite arguments, reconsiderations, ups and downs, the area focus remained. The regional approach, meaning country programs, remained the primary focus of planning and operations.

Q: Speaking now not only of TCA, but of subsequent activities and agencies?

SKILES: Yes, but with some tongue in cheek. Some people interpreted country programming quite differently than I did, particularly after 1961. Also there are those who would disagree with the basic conclusion, of course. Some of the units that I might describe as service units became much larger than the regional bureaus were. But I think in all cases from the early 1950s on through the time I left the agency, that the basic principle was that the regions had the responsibility for developing those programs and for seeing them carried out.

Q: And focusing on issues and problems of individual countries, you mean?

SKILES: Yes, I mean that. The individual countries were, in effect, the basic issue at issue in developing a country program. But let me say, as with any organization, no single unit has the

sole responsibility and no single issue is the only one involved when it comes to developing a program. I'm sure the people in Food and Agriculture, for example, would continue to think that their programs were paramount, "their" being, in this case, anything dealing with food and agriculture. And I meant to come back to this later, precisely because of that point, that there is certainly a difference of opinion on structure. I'm always reminded of earlier work I did on organization in the Department of Agriculture. I was struck with the fact that the various reorganizations over time really seemed to revolve around an issue of whether you were dealing principally with particular commodities, or whether you were dealing with functions, such as purchasing, transportation, warehousing, distribution. No matter which way the organization turned, if you organized basically by function, then you had to have commodity orientation within the functions. If you organized by commodities, then you had to have functional orientation within the commodity group. And so it was with the international agency, no matter which way you go, you always needed a strong thrust from the other. Eventually life was complicated with a few additional overlays, such as the organizational birth of the development loan fund and a number of special purpose initiatives, and questions arose as to how these related to the basic organization of the administration. However, I think it fair to say that the organization by country and by region remained basic. It was one way of telling the countries of the world that we are here because of you. Our programs exist because of the countries that we were trying to help.

Q: So in the TCA experience, the shift from functional to regional and country emphasis occurred sort of half-way through the agency's life and lasted through the rest of its separate identity?

SKILES: Yes, but the reason I was dwelling on it is that it lasted pretty much through successor agencies also.

Q: And your own experience then in the reorganized structure of TCA brought you into contact with what problems and what issues?

Point Four and the North Arab States

SKILES: For the first year or two we were concerned primarily with getting programs started in various countries, under the label of Point Four with the philosophies of Point Four. As we went to the area emphasis we established regions and I remained in the Near East region. Basically, for me it became a matter of shedding countries rather than jumping initially into them. As staff was identified or as we took on additional staff who were acclimated to working on a given country program, then that country would be established as a separate branch and I would have one less to worry about. I think of Egypt, for example, Saudi Arabia, even Iraq, which I'll come back to in a moment. So that I ended up basically with the North Arab states, and this was the focus of my responsibility for some time. Our method of operation was based largely on trying to achieve a cooperative agreement with countries that were interested in involving themselves in the Point Four program, and for this purpose obviously a number of things had to happen. When the time was right, we would send out a small Point Four team to each country to test the

water, go as far as you could toward organizing a program plan, negotiate a bilateral agreement, then come back to Washington and organize the elements necessary to carry out the plan.

I'd mentioned Iraq for a special purpose because I led the first Point Four team to Iraq. We were staffed -- actually it was only a four-man team -- with a very senior representative from the Department of Agriculture, a man from the Bureau of Reclamation, and a doctor representing the health and educational field. In Iraq the places to start became rather obvious, partly as a matter of timing. The Minister of Agriculture happened to be a graduate of an American university, and he was most anxious to get particular kinds of help which fit very well into our attitudes with respect to getting programs started there. So that was the easiest and the fastest way to go. The British still had a very strong influence in Iraq. They had a representative on the development board which was primarily concerned with water development at that time, as well as a Britisher who sat on the currency board and in effect policed what they did with regard to the use of international funds. The finance area didn't fit our brief at all, but the development board did, and the British, who were gradually pulling out in a number of those countries, were anxious to leave that particular function at that time. The authorities asked us to provide a replacement for the British member on the development board, which we did. It turned out to be a very reputable man, a commissioner of reclamation by the name of Nelson, who was sent out there fairly early in the program's life. We took on that function, which in some respects was not the kind of thing we'd had in mind, but it happened to be what they wanted and needed at that particular time.

Q: So he was a broad policy advisor in the field of water resource development.

SKILES: Yes, but if that were all there would have been no problem - as a member of the Board he had more than an advisory role. Not long after I came back to Washington a separate section or desk was set up to handle the Iraq program, so it was no longer in my bailiwick. That's what I wanted to demonstrate.

Q: Just to clarify that point, you had a kind of regional responsibility where your task was to get things going, and as soon as they got going, you said they would get hived off and become more or less independent, and you didn't have any continuing responsibility for that particular country, where a program began.

SKILES: That's largely true, or let's say half true. This arose from the fact that I had been doing the regional coordination work for the Near East as well as further south up until that point, and basically we were not well-staffed by people who had concentrated on particular countries. When the reorganization took place, a separate regional office took over South Asia, and in the Near East the timing depended on whether there were available people to immediately step into the country situation. This happened immediately in Iran, for example, so in the early days I never did have responsibility for helping to organize programs in Iran under the regional concept. But I became sort of the residual for those countries that we didn't have separate staff for at the time.

Q: Did you have any staff working directly for you?

SKILES: Yes. Not a big staff, but a very able one. Not surprisingly, we concentrated somewhat in that division on the youth movement. We had some young people who were very able and very adept. They were not trained agriculturalists or trained health people, but that kind of expertise was quickly nearby. They were very good at the business of programming and working out with other elements of the organization, or elements outside the organization, to make sure that we had a rounded approach and the various techniques and specializations necessary for this kind of work. There is such a thing as a favorable interpretation of the word "bureaucrat," and these people were very good bureaucrats. My deputy had an agricultural background, had worked in development programs in the Far East under different auspices and had been in the Institute of InterAmerican Affairs.

Q: The people who took on particular country responsibilities had what kinds of backgrounds?

SKILES: Oh, it varied considerably. I was instrumental in bringing in some of the people. One happened to be a transportation specialist with the Greek mission at the time I was out there. But he was much more than a transportation specialist. He had been involved in a great number of pursuits, including intelligence work in the Middle East during the war. Another...

Q: Can you name that person?

SKILES: Sure, that was Cedric Seager, who was our first Israel man, then Iran, and still after in FOA became Deputy Assistant Administrator for the Near East/ South Asia bureau. Paul Taggart, an agricultural man, had been the agricultural officer for one of the German states and had a good reputation out there. I think he took over Iraq. The Regional Director at that time was Cy Fryar, who had been chief of the Education division, and he brought people from that division including Dale Clark, the first chief for Iran, an educator from Utah and quite instrumental in getting those universities interested in the program. Cy had had a very broad experience largely in the Department of Interior including the Bureau for Indian Affairs and he brought in some people from there. Sol Silver who took over Israel from Seager came from the management staff of State (as did Ed Felder who was working on Ethiopia) and had done work in the economics field. Max Harroway was a Foreign Service Officer, working on North Africa. Those with program planning experience were mainly, as I recall, from the IIAA and went to the Program office which in a way was the successor for the central planning office.

Q: I think that's one of the most interesting things happening at that time that you were deeply involved in. Putting together teams of people who came from a wide variety of backgrounds and not necessarily backgrounds that fit directly to the particular countries and we had to evolve ways to meld these people and mold them into a team. Can you throw any light on how you were involved in that process?

SKILES: I assume you are asking now about the field teams. As you imply that was, in effect, the main part of the process, and it took a number of different directions. First we had to

develop an initial country plan or program, then find the people who could carry it out. This may be a digression, but somewhere along about this time I took a trip out west, illustrative of one approach. I went to the universities in Montana, Wyoming, Idaho, Washington to see whether they had an interest in taking off a chunk of these emerging field programs, and at the same time was able to follow up on leads we had on individuals, for example, in the Bureau of Range Management, the Bureau of Reclamation, the superintendent of schools in Boise, Idaho, some medical people at the University of Washington, who from one source or another had some interest in the international field as well as in their basic field. Incidentally, when I got to my old school, the University of Idaho, we had a flat turndown. The acting president of the university told me that they had responsibility first to their own school, second to their community, and third to the State of Idaho, or closely surrounding areas that might want to send people there to be educated, and they just didn't have the wherewithal or the interest or the backing to involve themselves in activities further afield. But other universities, the University of Washington, in particular, had a somewhat different orientation, and being close to the coast, they had been exposed a good deal more to international activities than the institutions further inland. There was simply a better potential for recruitment in that area than further inland. Having said that, we got some outstanding people over the years from places like Montana and Wyoming. I think you ran into a couple of them in Israel and actually later in Afghanistan. (Bud Molihan was from the Bureau of Range Management in Montana.) These are just illustrations of the ways you can go about trying to get the manpower to fit into these schemes.

Of course, a basic principle was that a country program is not going to work well without central direction, so the choice of a Point Four mission director or country team leader was one of the earliest and most important considerations. An ideal situation would have been to get a director and staff designated at the same time and put them through an orientation period together, but it didn't really happen that way very often, and the best we could do usually was try to get each individual (and family) ready to go. Most of the orientation was done by the calendar, that is, on the basis of whoever was available at the time. Most of the country orientation and the "fitting together" was the responsibility of the individual desk or branch chief, but in the personnel office we had an orientation branch that tried to do an across-the-board job of familiarization and orientation. For those who had not served abroad before, I'm sure this was most meaningful.

By late 1951 or mid-52 we were pretty far down the line in a few countries in being operational, in the sense of field staff on board and doing a job. One of those was Lebanon, which happened to be my responsibility. It was easier to recruit for that country than most and the man who had headed up the initial Point Four negotiating team went back as the country director. The country was, of course, in no way a typical Arab country. By agreement it was 50-50 Moslem and Christian as was the government, the President always being from one of the factions and the Prime Minister the other. There was a fairly broad overlay of educated people that you could work with and it was simply easier to get going there than in most places. Consequently it was one of the first up-and-running operations and I thought quite a good one. Of course later years proved that it had not been very successful in offsetting basic problems that eventually erupted, but for the time and place it was a good undertaking.

Q: It had a western orientation in many respects, and linkages to the west, which perhaps made it easier to develop an opening there.

SKILES: Definitely. At least it was true at the government level, and the popularity of the American University of Beirut helped the atmosphere a great deal. It was much more difficult to tell at the non-governmental level. However, I certainly had the strong impression that we were welcome there. This wasn't true across the line in Syria which I thought would be a much better area for our kind of program. The political atmosphere never became favorable, we never had an initial Point Four team there and never developed the cooperative agreement, which was a major disappointment to me. In hindsight, it's probably just as well.

Lebanon also demonstrated how a program plan will change once you get people on the ground. For example, river valley development was not really in the Point Four vocabulary at that time (rural development was, of course, but not really an association with a fairly major infrastructure program). We did one - the Litani River Valley Development program, carried out by the Bureau of Reclamation. The picture was impressive. From the top of the canyon you could see the women carrying on their heads large middle eastern water crocks (or gerry cans) down the trails to get to the river and back up with water for all kinds of domestic needs, human consumption and limited irrigation. The river ran off to the sea. Picturesque but medieval. The answer, small dams and pumping facilities. How well it worked out I can't tell you.

Q: Can you embed this development focus into the foreign policy environment a bit?

SKILES: Yes, and then take into account my next assignment. With some caveats this was a period of relative openness and relative tranquility, a reduction in colonial influences and concurrent movements toward independence in a number of areas. One of our premises was that it was a time of great expectations, that the largely impoverished people were seeking change, and that we might be able to help channel those changes into peaceful pursuits that eventually would benefit substantial number of people and countries. The most difficult problems and frictions generally are the local ones - not some distant great power - and the best approach is to get various factions working together. In a sense our interest was not to promote change, but to channel it. That meant better access to better education, more knowledge about the needs and better ways of making available health care, and improvements in the food and agriculture processes - and increased ability for largely subsistence farmers to provide for their own needs and increasingly to take care of the food needs of growing urban populations. The U.S. attitude was one of willingness to show the flag or establish a presence in a peaceful sense, and of developing a cooperating relationship in countries pretty much around the world.

This in effect is the foreign policy framework that President Truman articulated with the fourth point - Point Four - of his inaugural address.

It is obvious that this is only a partial view, and that other changes would come about. We had committed ourselves in Western Europe with the Marshall Plan and in 1949 NATO, a mutual defense pact whose members pledged that an attack on one would be considered an attack on all

- in effect for the first time in history a pledge by the U.S. to go to war in case there was an attack. In the Far East the Korean war mid-1950 and continuing problems with the Chinese and Taiwan demonstrated lack of stability in that area. We were getting closer and closer to the era of regional security arrangements, including SEATO and CENTO (the Baghdad Pact).

Q: But even that one didn't emerge until a little later, after Eisenhower came into power. We were still dealing, in the TCA days, with this sort of still outside the containment framework. Isn't that correct?

SKILES: That is correct. The CENTO treaty wasn't signed until 1955, although a lot of work was going into it somewhat earlier. What I meant to imply is that this was a period of gradual change into a different kind of an outlook and a different kind of program and approach than we had in 1951. Barring cataclysmic changes such as the North Korean troops moving South in 1950, the foreign policy environment generally is a moving and shifting thing. We didn't just overnight find ourselves facing an unfriendly Soviet Union, nor did we wait until the containment policy became official to try to help comparatively democratic forces in various countries - South Korea, Taiwan, Iran. The U.S. became much more of an international player during and after World War II. The British Empire was receding and much of Africa was on the verge of disassociating with major European countries. So, while the early 50s were relatively tranquil, what I meant to imply is that further changes were on the horizon and these would help lead to a different outlook and modified approaches compared with 1951 - but at that time we were involved in people-to-people programs, usually of modest dimensions, in vast areas in which the U.S. had not been a major player.

If I could make a bit of a leap here, my next assignment was to be the officer in charge of the Israel program, and Israel in a way was an aberration which helps describe the transitional period. To talk a little bit about Israel, we had started there along the lines of the Point Four approach, although that wasn't as significant as it was in many other countries, simply because, as you know, Israel had a great number of people with experience, with education, more like the Europeans than like the Africans, let's say. This program was probably in the two million dollar range. I can't pinpoint at the moment just when the big change came in program terms, but the congress added on to the appropriation a particular fiscal year, a special program for relief and rehabilitation in Israel of \$63.5 million. This was partly in response to an administration request for funds to assist with the resettlement and rehabilitation of the Palestinians, largely those who had left the part of Palestine that had become Israel in 1948. Most of these people were in refugee camps, but had not been absorbed into the economies of the nearby countries to which they went (primarily Jordan, Syria and Lebanon). We regarded them as a separate problem of refugee relief. The administration had an "even-handed" policy of trying not to treat either the Arabs or Israel as a favorite client, and the Congress took this particular means to help insure in its view that we were as forthcoming in Israel as we were in the Arab states. So, two funds were set up. The Arab fund was not administered by TCA, but by a different organization. It was headed up by an American, Ambassador Lott, who established headquarters in Beirut, but it was a United Nations operation. In the case of Israel, it became a bilateral program and I

guess the reason I was asked to move into that one was simply because I was about the only one around in the TCA headquarters at that time who had had experience with that kind of a program, which was not dissimilar to what ECA had been doing in other countries, including Greece. The large scale Israel program was up and running prior to the 1952 U.S. election and prior to the full-fledged takeover of the new administration in terms of responsibility for the programs.

Q: That is the election of '52, new administration of '53?

MSA and Harold Stassen

SKILES: Yes. And at the time, in 1953, when Mr. Stassen took over the combined organization and technically, but not physically, TCA was combined with ECA and other institutions working in the field, into the Mutual Security Administration. I'm going to digress here for two or three purposes; the main one is to talk a little bit about 1953, which was a very interesting period for a number of us. One element of it was the "Stassenization" program. Mr. Stassen was convinced that not all that had gone beforehand was acceptable to the new administration. Not all the people working in these programs were likely to be chosen to continue, and he personally was going to exercise judgment on who was to stay and who was to go.

Q: He was given special authority to do this, if I remember correctly.

SKILES: Yes he was. And of course, such an exercise couldn't be carried out 100 per cent, but he did a pretty good job of trying. By which I mean obviously he couldn't personally look at all the people, but he or his immediate staff had a good look at most of them. Curiously enough, it was in this period when, from a personal standpoint, I thought that the best thing to do was to keep your head beneath the level of the woodpile. Exposure was not a good idea. And I say this for two or three reasons, still speaking in personal terms, as far as I knew I had a pretty good record in the agency and had not belonged to any of the far left organizations that Stassen and Company were suspicious of. I didn't have any strong political affiliation, which might cause problems, and I had confidence in my test taking abilities. If you recall, one of the elements to be used in the Stassen examination of people were the results of a special test that had been organized for this purpose. In the event, I did get a very good mark on the test, somewhat better than Mr. Stassen himself, so I didn't think there was any cause for alarm, so long as I wasn't exposed and didn't run into any difficulty. But something else happened which had the reverse effect, and had the immediate result of very interesting experiences in terms of exposure to Mr. Stassen. If you recall, at the Division level we had signing authority on most cables that went out of the agency, with some exceptions which had to be cleared off by the Assistant Administrator, and in a few instances such as policy guidance and committing funds, the Administrator. I suppose this was a kind of a funny in-between period, but the fact was that in TCA, there was not much interest in or enthusiasm for this big money Israel program anyway, and not a great feeling of confidence on the part of those further up the line in talking about them. So when a cable had to be cleared by the person authorized to commit funds, which

during this period was Mr. Stassen, and he wanted to talk about it, I can assure you that neither the Assistant Administrator nor the Administrator of TCA wanted to be the one to go talk with the big man about proposed messages, so I got the call. This happened on three or four different occasions and I must confess that I was tremendously impressed with Mr. Stassen as an individual, in terms of his quick grasp of issues and problems and his most retentive memory between sessions as to what had gone on previously. He either had tremendous innate abilities, or a magnificent briefing arrangement, and I don't think the latter could have applied in a couple of these cases. One I remember in particular -- I had to wait in his office for an appointment because he was a little late returning from a grueling session on the Hill. He came into the outer office, took me with him into the inner office, sat down at his desk, took the proposed cable in hand and we proceeded to talk about Israel. In other words, it was clear that he'd had no opportunity just prior to this session to get himself briefed up and yet very quickly he referred to an earlier session and a couple of points in the earlier cable that we'd gone over. He remembered. Ever since, I've referred to him as the Man with the Elephantine Memory.

Q: So it was an interesting period to have transitioned, when TCA was still functioning as a bureaucratically separate institution, but it began to be absorbed into what eventually became an integrated entity, but under Stassen's control as Director of Mutual Security, as well as other activities in the foreign assistance field. And you could, I'm sure, see the handwriting on the wall as to the way things were going to go, and yet it must have been a great uncertainty as to who was going to be your boss, and how things were going to work in the subsequent time.

SKILES: I appreciate your intervention at that point. I had rather lost the trend of things here. The next point that I had in mind that fits very well into what you are talking about, and that is that in some respects it was a rather shocking period to those handling these programs. I remember the day that our personnel director brought around some letters, after the examination was taken, after Mr. Stassen had done his homework on personnel, after the machinery had gotten in operation to get out thank you notes, "please stay" and "thank you, good bye." I was chairing a meeting on Israel in my office at the time that my particular notice was delivered, and I suppose it was in recognition of the importance of and the interest in those particular letters that the letter carrier had no reluctance about barging in on a meeting. His job was to deliver the letters, and he delivered them. Only one in this case, but he had many to do. I asked the people at the meeting, not entirely in jest, to hold up on further discussion until I looked at the letter, because I might not have to go on with this particular problem. But I was delighted that the letter acknowledged an appreciation for past contributions and asked me to stay with the program. Well, the meeting went on rather late that evening, and it wasn't until the next morning that I was able to get an exposure as to what had happened, but when I went into the office I could see that a great many people had gathered around and in the office of the Assistant Administrator, who was the regional director. So I went to join them, and it wasn't much of a meeting; there wasn't much of a point to the meeting, except mutual commiseration, because it turned out that two of us of the grade 14 and above, in that operation, had been asked to stay, and the rest had been asked to leave. No contest in terms of numbers. That Stassenization exercise certainly made the amalgamation and transition somewhat more difficult; after all that was the point of the exercise. Another point I would make at this juncture -- the agency as a whole was gearing up in different

directions to become a mutual security agency, be much more concerned with the security interests, not at the expense of the people interest and the development interest, but in effect, in addition to them. The size of the program was very much affected, and not so terribly long after the reorganization, the incorporation of various agencies under Mr. Stassen's wing, the organization began to resemble somewhat more the State Department organization, area-wise at least. Greece and Turkey, which had been with ECA during this period, were combined with Iran in the NESAs bureau, reflecting the State Department organization. Similarly South Asia, which had been a separate region in TCA, was moved into NESAs - Near East South Asia.

Q: So that after the formation of the Foreign Operations Administration, the NESAs bureau in FOA, like the NEAs bureau in State, stretched from Greece to East Pakistan.

SKILES: Yes.

Q: So that it was a pretty wide swath and stretched into Africa to the extent of Sudan.

SKILES: I'd have to give a little more thought to the African question to get it into focus.

Q: But it was an exact parallel -- the two bureaus in State and FOA, and subsequently in ICA, had exactly the same boundaries, so that people in the Foreign Assistance Operation had their counterpart in State. But it is perhaps worth remembering that at that time, all of the foreign assistance operations were outside of State.

SKILES: That is correct and it is the important basic point. What has been bothering me is the timing. For example, TCA always had responsibility for some African programs - I think particularly of Ethiopia on which Ed Felder was working and Haven North was one of his assistants, but most of the continent had been an ECA-MSAs area of responsibility, because of the relationship to Europe. It seems to me that Bill Moran and the African group from ECA joined us in TCA prior to the formal amalgamation of the organizations. However, that probably is not correct - the change probably had been made, but the physical consolidation not yet achieved.

Q: In the fall of '53.

SKILES: Yes. The other bothersome part of the question relates to the State Department. NEAs in State stood for Near East and Africa. South Asia was part of the Near East. Later it became NESAs - Near East South Asia. Africa became a different region, but that didn't come until later.

U.S. assistance to Israel - 1953

Q: Could you tell us about your experience handling the Israel Program?

SKILES: It was certainly a challenging and interesting period. The Israel program was a departure from normal TCA activities, as we mentioned earlier, a bit of an aberration is probably

a better word, and in some respects, much more like the European programs, with which we were gradually becoming closer. On the people side, I was not dealing with Israel when the first mission was created, the first people sent out to the field. But it's obvious that the influences were somewhat different, than in a, can I say, a normal country. When I did first come into the program, for example, one of the main contacts in the Israel Embassy was a Minister by the name of Teddy Kolley. Well now, Kolley was a very impressive man. I'm sure he was all his life; he certainly was at that point, and he still was as the Mayor of Jerusalem in his eighties, not so long ago, and in between times on several different occasions, as Chef du Cabinet for Prime Minister Ben Gurion, because he was quite close to Mr. Ben Gurion. He had a way of articulating interests and needs in his country that none of us could have even approached, and I have an idea that many of the functions we got into out there came to us through this procedure, that Mr. Kolley or someone else in the Washington embassy, conveyed an approach or idea about how the U.S. could be useful in the things that they were trying to develop or that they felt needs for. Some of them at first blush seemed a little strange.

To use a mundane example, I learned that we had on the staff in Israel a man whose job it was to mix the surface materials for roads. He literally took the machine around to the road jobs and mixed up the materials that became the blacktop for surfacing roads. Well, one would think this is an operational kind of job that Point Four wasn't really designed to do, and the explanation for it was that it was one of the shortages, one of the weaknesses that Israel had. They had engineers that could lay out roads, and the equipment to build them, but they didn't have anybody in this particular specialization of making blacktop that was suitable for topping. So they asked us to provide this particular service. Other unusual examples included water desalination, economic surveys, tourism study, perhaps even the research reactor down in the Negev, that sort of thing. I have a very strong suspicion that we would not have done a number of the things had not Israel been such a special case in so many ways. Lebanon didn't have an outside body that could bring about or that did bring about influences on the Administration and in the organization's program for Lebanon, but Israel certainly did have.

Perhaps I should leave the word Israel out, because much of what I had in mind took place, not really as a function of the government in Israel, or representations from the Israeli government, but more in the line of well-meaning people in the United States who were interested in what was going on in Israel, what was likely to go on in Israel, what the U.S. should or could be doing about it. In other words, we had lots of advice, informal as well as formal, inside the government as well as outside.

Q: Could you comment, since I happen to have had a rather similar experience to what you had, could you comment on your feeling about the degree to which working in that particular task, of being the Washington guy for Israel, you had a level of contact with the Israeli representatives in this country different from what you had working on other countries in Washington?

SKILES: Certainly. And I guess the point I was making was that it was not only the official Israeli contacts that you had, but many others which didn't necessarily represent the government,

and then some very effective ones, which were sort of in between. For example, Israel had hired the Oscar Gass Economic Group to, in effect, head up its supply mission here. The Minister of Economic Affairs in the embassy was the official contact and the official spokesman for Israel on matters related to the supply program, but they were organized and carried out by a very reputable U.S. firm with whom Israel had contract relations. Some of the people involved in it were some of the same people who had been in the Department of Agriculture at the same time I had and thereafter, who had long experience and intimate knowledge of what it takes to get agricultural commodities to Israel. Israel was simply well represented in this kind of activity. Even today as I occasionally see people from the Office of Foreign Agricultural Relations, later known as the Foreign Agriculture Service, they think of the Israel PL-480 program, not the first, but one of the first to be organized, as being in a sense a model of efficiency in carrying out a program of that nature. New to Israel surely, but not new to the people involved in carrying it out. Another very effective, official spokesman on finance and economic issues spent most of his time in New York as part of the representation to the United Nations, and as a contact with the Jewish community (fundraising, etc.), but like Ambassador Eban he had dual accreditation, U.S. and U.N.

Q: I would just say that in my own experience when I was working on Egypt, I could go from the beginning of the year to the end of the year and never see a representative of the government of Egypt in my office. But when I was working on Israel, they were there virtually every day. Somebody from the Israel Supply Mission, or somebody from the embassy, at various levels; there were at least three different people from the embassy who were very frequent visitors in my office. I'm sure you had the same experience. And if I didn't watch out, they would communicate things that were developing in my office to the government of Israel in Tel Aviv before I could get them there.

SKILES: That was always a problem, John. And it was not only with official Israelis, it was largely because of so much interest throughout the agency in certain activities. I guess the only thing to do is put it bluntly: Many other people in addition, but particularly people of Jewish orientation, were very much interested and concerned about Israel, and therefore in the program in Israel. The head of our contracting office in ECA, for example, was a very bright guy of Jewish extraction, and we got a lot of help from him, some of which we asked for, and some of which we didn't, simply because of his interest, official and unofficial, in what was going on there and occasionally I could detect the hand of an Israeli Embassy person in the interest. I would agree with you that these often turned out to be unwanted channels of information back to the Israeli Embassy. That didn't stop with my time; it didn't stop with your time. It's probably still going on. Some years later, certainly to my knowledge at the time I went out there...

Q: Let me ask you then a question as to what you felt we were doing in our program in terms of its

role relating to the larger issues of Near East peace and war. Could you comment a bit about how the original Point Four program and subsequently the FOA program that you worked in for the whole two years that that agency existed relating to Israel, how did you see what we were

doing in Israel in terms of its relationship to and impact on the relative strength of Israel and its Arab neighbors, and its influence on Israel's ability to defend itself, or any other way you want to put it.

SKILES: Well, I'm tempted to say two or three contradictory things, and maybe I should say keep in mind that you are talking about a person who was working on Lebanon one day and Israel the next. Or Jordan one day and Israel the next.

Q: And yours truly as well.

SKILES: You are also taking into account, or must take into account the fact that we were involved in things that were primarily the responsibility of other organizations rather than ours. If I confess, for example, to having done considerable work on Near East policy and on potential programs, such as the Johnston water development plan, which came about a bit later, then you have to keep in mind that this was done, certainly not as a TCA function, and only partially as an MSA function, but largely as a result of participation in interagency bodies and State Department bodies, that were charged with these responsibilities. In addition to the Working Group on Near East policy, I might use this as an illustration of one of our problems in '53, I think it was. In the normal course of business, we were continually exchanging views, to put it mildly, with our State Department counterparts, and normally had no great issues between us. But at one stage when things were going badly, I think it arose primarily from some water problems in northern Israel, I was asked to, in effect, slow down deliveries of commodities under the import program, as a reflection of our lack of appreciation for some of the things Israel was doing at that particular time, and which were causing us international political problems. This didn't become a cause celebre, except in a very limited circle, but I felt that I really had to refuse to go along with that kind of approach. As far as I was concerned, our job was to do a good job of making the program work. What our cohorts were talking about at that time led in exactly the opposite direction, and for legitimate political reasons. It was my contention that if you come to this point in that kind of a problem, then Mr. Dulles has to tell Mr. Stassen that this is the way we want things handled, and if necessary they could take it to the President. I still don't know of a better medium of communication than the English language fully understood by both parties. And I've always been skeptical of sending signals by other means, but on one like this, if language is not enough, then I think the Secretary of State has to tell the Administrator, and the Administrator has to follow the policy line or take it to the President. We were high enough up to handle a lot of things, but in my view, not that kind of thing or conflict. At that time we were not into the security and military problems such as occurred after the Suez War of 1966, but in terms of Israel's strength I think I need only say that our economic aid program was larger in dollar terms than the whole of Israel's exports.

Q: Right. Did you feel that you were able to have any significant influence on the way in which the program evolved and the things that it emphasized or de-emphasized?

SKILES: That's a good question, and a curious one. I don't remember trying to influence the "people" program very much. It had been pretty well laid on when I came in there. With one

major exception I think we pretty well tried to carry it on. In terms of the supply program, everything was up for grabs, and there are all kinds of influences on it, and I suppose this relates to the major exception I had in mind. That is that the mission was not sufficiently staffed to do the job that was required by the addition of the big money program. Not because the program itself added so much to the administrative burden, and there are some decided exceptions to that generalization, such as the need for "end use" examinations and certifications by the Controller's office, but that it forced us to a position of taking quite a different look at a country than we did with the Point Four programs. We had to look at the whole country. We had to look at their development plans, their budgets, their need for foreign exchange, their need for certain kinds of commodities. A Point Four mission is simply not equipped to do that sort of thing. So we were diligently trying to beef up that kind of ability. As to technical assistance, as I recall, the industry and agriculture functions were pretty well defined, and we did not have much of a role in education. Again, to repeat what we were talking about earlier, some of them would not have been the kinds of things that I would have tried to do, had I been in charge of that program from the beginning. Maybe they fit Israel better than what we would have done, I don't know. But I think your original point is the germane one, and that is we were being responsive rather more than we were taking the initiative.

Q: And certainly in Israel, there was an unusual degree of initiative on the part of the Israelis to determine what they wanted to press for, what they needed, and they had clear views as to what and why they needed these. So that, in terms of shaping the program, it was perhaps in one sense, more like what we would have wished in other countries in that it reflected country initiative much more than our own.

SKILES: I would agree with that, certainly. And yet, at the same time, would repeat that I think we got into some marginal things that we, from an objective viewpoint, would probably choose not to get into.

Q: We were certainly in a wide variety of things. Does that sort of describe your sense of that particular phase of your career, and do you care to move on to the next phase, or are there some other comments that need to be made about your Israel experience?

SKILES: I would like to go back to one more point in the early Stassen exposure kind of thing, in a way to demonstrate what we've just been talking about. And that is when he had his first worldwide country by country review of programs; program evaluations, probably in 1954. The earlier NEA sessions were concentrating on other NEA countries, and I didn't have the impression that Mr. Stassen was overjoyed at some of the things that he was hearing. I recall in particular when he asked -- I think it was the Libyan desk officer -- a question completely unrelated to her presentation. It was to the effect that he had the impression from things he'd read that inflationary tendencies were pretty severe in Libya at that time, and what about that? And the response was, "Oh, yes, I think I read that the government just passed a law against that." This brought down the house in terms of humor, but I don't think it was quite the sort of thing that Mr. Stassen wanted to hear, or talk about. That contributed to my personal feeling of relief therefore, and the belief that he probably was delighted when we got to Israel and we

rolled out some charts on GNP, balance of payments reserves, import needs, resettlement figures, this sort of thing. I think he felt much more at home. And this, I suppose, leads to the next obvious step, and that was that sometime after the amalgamation of the outfits, and the establishment of the Greece-Turkey-Iran division in, can I say "our" regional bureau, I was just switched over to head up that program, and handled it until I left for a field job in 1957.

The charge of the Greece-Turkey-Iran division - 1954

Q: That was a two-year stint in a somewhat different environment than your Israel experience. We had I guess, a dwindling program in Greece, a vigorous program in Turkey, and a very vigorous program in Iran, of major proportions by world standards, as well as NESAs standards, right?

SKILES: Right. I'm not sure I would characterize the Greek program as dwindling at that stage, although in some respects it certainly was. At least it was not expanding. A large part of mission responsibility was in terms of what had been going on from '47 onwards.

Q: The insurgency was behind us. It was coming around to being a more normal kind of economic assistance, technical assistance program.

SKILES: Yes. Greece was much more on its own feet, in terms of the AID program. We were talking earlier about the 1948-49 period, when I was out there, and at that time the U.S. was providing a bulk of the foreign exchange available to Greece as a country for imports of any kind.

Q: Because it wasn't generating much foreign exchange on its own.

SKILES: And by the mid-50s period, it was doing much better in the international economic arena. Iran, I think you've characterized well.

Q: O.K., Vic, we're going to turn to Greece, Turkey, and Iran to follow where we just left off, and we will perhaps spend a little time talking about the issues and problems in the three countries: Greece, Turkey, and Iran.

SKILES: Right. One of the reasons it was interesting and rewarding to me to move into that area is that it put me back in very close touch with some old associates. Raymond Berry and Bill Rountree had both been special assistants to the ambassador in Greece at the time that I was special assistant to the ECA mission chief, then were running GTI at the Department, although Raymond fairly quickly moved up to the next higher level, as did Rountree subsequently. In the meantime they had not been completely out of my circle of acquaintance. For example, in the early days of Point Four, while I was doing the regional coordination job, Rountree had come to me with a proposal that we do something about the locust threat in Iran, which at that particular moment seemed to be the country's most serious problem. They did indeed have a locust scourge, and as I learned more about it, I discovered that this was an old problem, but

usually not so much in Iran as it was a bit further south, on the Arabian Peninsula, Ethiopia, Eritrea, and so on. But what Bill was interested in, was whether the U.S. could in some way involve itself in a locust eradication program, and frankly, my reaction was not too optimistic, because it seemed to me precisely the kind of thing that Point Four did not want to get into at that time, but I agreed to try to pave the way with the Administrator, and set things up so that he, Rountree, could come over and make a personal pitch, based on a very good understanding of what was required, and I must say a knowledge of what the real problem was. So this happened, and somewhat to my surprise the Administrator said, "Sure, go ahead."

So we launched a locust control program in Iran. Fairly expensive; we hired some light planes to go over and serve as crop dusters, the crop being these hordes of locusts which really cleaned the landscape, and obviously this had to be done in a hurry. Now I say, "we" did this. Actually, I didn't have a whole lot to do with it once it got started. At that point operational responsibilities were in the functional divisions, and the agriculture people did most of the work in getting that project, which essentially was an aerial spraying operation, rolling. Eventually, this became something else. The United Nations FAO became interested in organizing a locust control program for the whole of that area, headquartered in Addis Ababa, and we contributed a great deal to the formation of that project and continued to make financial contributions to it for some years.

The Greek supply mission was run by a couple of old Greek friends, one of whom had married the American nutritionist in the U.S. Mission in Athens, and by two first-rate American women who had run the office in the U.S. Mission in Athens that I was initially in charge of, before it (and they) transferred to the Greek trade mission.

GTI had its share of problems, and there were knowledgeable people in State as well as elsewhere, not only knowledgeable, but people with whom I felt that I could work without a lot of preparatory endeavors. Unfortunately, Iran, the first year or so that I had that job, was consumed, or at least our division was consumed, largely in a defensive position in a battle which had been launched by Congressman Hardy, who was head of one of the subcommittees, and apparently, an arch-enemy of our mission director from earlier times, particularly when Bill Warne, the mission director, had been the regional director, I think it was, of the Bureau of Reclamation, out west. Acrimonious relationships had developed. Hardy had called Warne on the carpet to account for the Iran program, and an awful lot of time was spent that year, I'm tempted to say virtually the full time of the Iran desk officer, in researching records, trying to help find out how these problems got from A to B, how they became issues, and so on. It was not all that pleasant a period, and yet we had a big mission, a big program. Things just had to keep going forward, despite the diversion of a good deal of our manpower to the protective side of things. In Greece and Turkey it was quite different. In a sense, our problems there were more internal. A) in terms of trying to continue to get adequate budgetary levels for some very significant programs, and B) because there are other units of government, other than the mutual security program, that had big interests there, and C) the mutual security program. This was an area where we were involved in military forces as well as economic development. These not only had to be kept in mind, but had to be coordinated with defense and other

interested parties. General Reilly, who previously had been Mr. Stassen's Assistant Director for Management, was our mission director in Turkey at that time. Here again, we had a large program and were involved in some activities that were certainly not usual to a Point Four kind of program, but much more common in a Marshall Plan kind of approach. We were heavily involved in reforms that would get the mines into greater production, for example. Heavily involved in transportation, even railroads, to move goods around. A number of things like this internally, as well as a major focus on balance of payments problems, and the need for financing for what we jointly regarded as essential imports. To a large degree the same was true for Greece. A smaller country, more concentrated resources and problems, A) because it was a smaller country, and B) because the government had its fingers into more things in its representation. Both countries had supply missions in the U.S. and both were quite effective.

Q: That is to say, the government was involved in what way?

SKILES: It was still controlling imports and exports, for example, though not nearly to the degree as at the time I had been out there, but it was still not an open market, as far as importers were concerned.

Q: And it would have been our view that it would be a better situation if the free market was allowed to operate.

SKILES: It would be a better situation when the free market was allowed to operate, yes. But I don't think it's fair to say that we were arguing for an opening of the floodgates at that point. Partly because it was largely our money we were talking about, and we were not adverse to making sure it was getting into the channels that we wanted it to be in, or spent for the things we wanted it spent for. And, as I suggested earlier, we had military assistance programs in both of those countries. The approach to the countries is what made things really different for us, and as I've indicated before, you can't really be concerned, be involved in what is essentially a balance of payments kind of program without having the country as well as the individual segments as your major concern. Therefore, we had to get into country balance of payments problems. The causes, the cures, the wherefores, along with demonstrating a concern for people problems. In Greece the per capita national income was still only about \$300 per year, which was not nearly as low as some of our customers, but still very low.

Q: Low by European standards.

SKILES: Certainly low by European standards, and Greece gradually was becoming a member of the European community. Security concerns are obvious: not only the internal war that they had been through, but the fact that it borders on the Eastern Bloc a good deal of the causes of the war were inspired by the "other side." We had substantial military representation there and worked very closely with the Greeks in this area. At home you were much more involved in interagency considerations. We became concerned, for example, along with various State Department elements, the Treasury Department, Agriculture, and so on, in getting up and doing country evaluations, balance of payments assessments. In a sense macroeconomic approaches

which TCA certainly had not been doing, which we had tried to some extent in Israel, but it hadn't become an art in TCA. I suppose those were the main differences.

The organization was not so terribly different, although at the time we had a layer between the desks or country branches and the Assistant Administrator of the Agency, who was in charge of the region. That had not been the case earlier, and it became the case when we got things such as GTI, the Office of Near East Affairs, South Asia Affairs and Africa, on a combination basis. But at that office level, in a sense, I became the point between the country desk and the regional administrator, and of course we had an additional layer "upstairs" in the form of the Deputy Director for Operations - Dr. Fitzgerald. Generally speaking, he had to resolve disputes between the staff offices - let's say the Office of Food and Agriculture - and the Regional Office. It's impossible to define when "the buck stopped here" - at the office level - and when it didn't. Some things we knew for sure. For example, I mentioned earlier that the basic commitment of funds in terms of messages to the field, not only had to go to the assistant administrator, they had to be cleared at the administrator's level. But there were a number of things that we would have to determine or just work out on the basis of trial and error, what the regional office had to be involved in, and what could be finally dispatched at the office level. And this changed with people.

I remember when Jack Bell came in to be the Regional Director. We had lunch shortly after he arrived, and he was trying to explain his method of operation, which was based substantially on the fact that he was a very inquisitive guy and liked to be in on everything. As he put it at one stage, "I don't want to be just a layer between you and Dr. Fitzgerald." To which my response was that I fully appreciated that and that I didn't want to be a layer between him and Carter Ide, either, Carter Ide being the Iran desk officer. So it was the sort of thing that you worked out and yet you never worked out. When I got a call from Dr. Fitz, which was not infrequently, then believe me I felt that I had to respond, and did. I got more of a flavor of the problem, before Jack arrived, I suppose, because for many extended periods I was acting deputy regional administrator. When the regional administrator or his deputy were out, then I was called into the front office to man that chair until both of them were back on the job again. And I found it very difficult to articulate a dividing line. I found out another thing, which I had always suspected, i.e. that was really a niche too high to be in the organization, if you were interested in and wanted to be involved in the real formation and administration of the program. You had to pay much more attention to the up and out framework -- the upstairs and the outside, and were far less involved in the individual country activities. Domestic politics also were of much greater concern.

Q: This was in the period when Turkey and Iran were members of the Baghdad Pact, which meant that military considerations were of major concern, and the strength of the economy was important to the defensive posture of those two countries, as was the military capacity that they had. So we were right in the middle of economic and social issues, and political-military issues.

SKILES: Correct. I'm the wrong one to talk about the Baghdad Pact, partly because personally I'd never had any real enthusiasm for it, but in a sense it wasn't my business to be either for it

or against it. It was outside the framework of our responsibility, to make decisions on regional security pacts.

Q: Sure, but nevertheless, we had things going on in those countries.

SKILES: We had to take as a given that this either exists or is going to exist -- the U.S. is going to try to make it exist, so we work within the framework that is required by that relationship. Having said that, I don't think in my own mind, that Iraq ever became, or ever could have become a very significant part of that organization.

Q: And of course, they fell out in 1958, yet the Pact continued as the bulwark against the southern flank of the Soviet Union, with just Turkey, Iran, and Pakistan. So we were, in any case, continuing to be involved in issues that spilled in both directions. If we were dealing with balance of payments, didn't you find that we were as much concerned with undergirding the military with undergirding the economy?

SKILES: Yes, of course. Increased military activities certainly have an immediate effect on competition for resources which otherwise might be available to go into development, and which then would not require as much augmentation as when you're going to do both things.

Q: Did you have any occasion to be much concerned, for example, with Turkey's capacity to become grain self-sufficient?

SKILES: Concerned and interested, yes - but I can't say I had much to do with it, especially the longer term aspects with which the Mission was seized. This was partly a matter of timing, and the desk officer was an enthusiastic participant. Arrangements already had been made for an outside consultant whose findings, incidentally, were to the effect that Turkey could once again become a major producer and exporter given the right policy and investments. This brings me back to the shorter term which was just the opposite, that is, that Turkey was very deficient in grains and a major importer. In addition to the assistance program, Turkey had been the first country signed up for the PL-480 program in December 1954 and this program was just getting underway in 1955. So a lot of money was going into grain imports and I would have been a supporter of any good schemes to help redress the balance. A lot of influence (and help) could have been in the employment of counterpart funds from the aid program and the local currency for which the grain was sold, but I frankly don't remember whether this was done effectively or not. It almost requires effective participation in a development budget. From a policy viewpoint steps would have been required to try to make sure that the imports did not act as a disincentive to local farmers' production, and this gets into the price area as well as physical support - technical assistance, availability of fertilizer, seeds, etc.

Q: Interestingly, in Turkey, the mission formally interacted with the Ministry of Foreign Affairs, which, from the point of view of the government as a whole, wasn't in a very good position to deal with domestic issues. How did you see that from Washington?

SKILES: I'm afraid I don't have much of a recollection of that, John. I just don't know. It may have been somewhat a reflection of the character of the man himself. General Reilly was, in a sense, a representation man, who liked to deal at the highest levels, and let somebody else take care of the rest of the problems.

It is true that the head of the supply mission in Washington reported to Essenbell, who was in the Ministry of Foreign Affairs, and he came to Washington fairly frequently; but the finance/economic people came as a small inter-ministerial team. I believe Mostar was from Foreign Affairs, but the others were not. Also I seem to recall spending quite a bit of time with the IMF on a devaluation program and that certainly would have required the participation of Finance and probably Economy.

Q: Without getting into your story, but just mention that issues of foreign exchange and inflationary pressures within the economy were constantly on our minds in the mission, but because we were dealing officially as the prime point of contact with the Ministry of Foreign Affairs; and the other ministries, such as Economy or Finance, didn't feel that the Ministry of Foreign Affairs was very much involved in this, we then, inevitably, but informally, got involved in dealing with them.

SKILES: Sounds rather awkward - but essential to have those contacts

Assignment in Tel Aviv as Deputy Mission Director - 1958-59

Q: Here we are again on Monday, the 11th of December, with Vic Skiles for his third session. So Vic, tell us where you went next after you finished your stint at GTI.

SKILES: I went to Israel, for a number of somewhat peculiar reasons, and it turned out to be a most interesting experience. First let me recount just a little bit the progression of our approaches to these various countries. Both Israel and the GTI configuration had, in a sense, forced us to take a much greater look at the total country situation than had been the case in some of the more strictly Point Four kind of operations. As we will see, this was a pattern which expanded and continued over the years, with considerable refinements, but in my view, not with tremendous changes in the way we approach the problems.

Q: So this was in 1957 that you went to Israel?

SKILES: Yes, that would have been 1957, mid to late '57, I guess. No, I'm sorry, it was early 1958. February.

Q: So the mission had been reopened after the Suez crisis for how long?

SKILES: Well, probably about six months. The real trouble spots were a bit earlier.

Q: But the Suez war in November '56 was what closed the mission down, and it reopened sometime in '57, did it? And you went in at the beginning of '58?

SKILES: That's about it, yes. The military situation in that whole area had changed dramatically during that period, if you recall, but by the time I got out to the mission, things seemed to be fairly well settled down, and in fact there was a space of several years after the dust settled from the '56-57 fracas until military activities really heated up again in the area. But they were never to be ignored, partly because during that period, considerably more help was coming in from the outside, primarily from the Soviets. The Egyptian political scene changed not once, but consistently. Jordan was regarded as being in a bit of a pickle, but it also had gotten somewhat into the arms buildup race, as had Syria, and Israel felt beleaguered. The U.S., because of the activities in '56 and '57, came to be regarded as much more closely affiliated with Israel than we had been prior to that time, although the immediate effect of the Suez experience was just the opposite.

John, I think you are right - for this discussion to make much sense I had better change my mind and get it into the context of the political-military situation. From the Israeli standpoint the Suez issue was part of a long-term problem in which they regarded Nasser (Egypt) as really bent on a larger campaign of a Greater Arab hegemony with one of the main rallying points being the destruction of Israel - pushing the Jews into the sea. Egypt was engaged in a fairly extensive military build-up with Soviet help and a growing Soviet presence. Nasser's biggest economic project probably was the building of the Aswan High Dam, for which there had been considerable hope of Western financing, but when the U.S. decided against going ahead with this project, Britain and France also withdrew and without those three, the IBRD (World Bank) was in no position to proceed. It was with this background that Nasser announced his intention to nationalize the Suez canal. Nasser's declaration in mid-56 was one of the milestones for Israel, but it also was accompanied by armed intervention in the form of raids from the Gaza strip, which was controlled by Egypt as a result of the armistice in 1949, and the blockade of the Straits of Tiran, and therefore the Gulf of Aqaba (Eilat to Israel). This was Israel's water route to the East, through the Red Sea, including Iran from which they got most of their oil. Closure to them of the Gulf and the Suez meant no shipping access, basically except for the Port of Haifa on the Mediterranean. It eventually became public knowledge that there was a degree of collusion between Israel and France and the U.K. over Suez and despite cautionary advice from the U.S. and many others, Israel was the first to move with large-scale military operations at the end of October, let's say November 1956, and they quickly moved to the east bank of the Nile, took Gaza and large chunks of the Negev. The French and British went into Suez a few days later.

Settlement of the Suez crisis, or at least the withdrawal of Israeli troops, was largely on the basis of U.S. and French proposals and maneuvering at the United Nations which resulted in two features which Israel thought to be essential, though neither in their view went far enough in the sense of guarantees that they could be carried to full fruition. One was the end of the blockade, the right of free riparian passage, and recognition of Israel's right to defend such rights of passage. The other was in effect to deny Egypt the right to armed representation in the Gaza

strip. U.N. forces were introduced to keep the peace and in effect internationalize both Gaza and the area next to the Straits. Israel had requested and the U.S. responded, symbolizing the first point by a ship of U.S. flag and a cargo of oil past Tiran, through the Gulf to the Israel port of Eilat in late April of 1957. This then was the situation in 1957 and it turned out that there were no more raids from Gaza and no more blockades for ten years.

While the U.S. had been, in a sense, a great thorn in the Israel side at the time of the Suez crisis and war, the aftermath of the settlement brought about a considerable change in relationships including stepped up economic assistance and eventually a military relationship.

It is in this sense that I say the military situation in Israel seemed to be reasonably quiet. However, in 1957 things were stirring in Syria, our diplomats were expelled, the U.S. sent arms aid to Lebanon and Jordan and encouraged Turkey to station troops on its Southern border. In early 1958 the United Arab Republic was formed by a merger of Syria and Egypt, and in mid-58 the U.S. Marines had landed in Lebanon and the U.K. airlifted a force to Jordan. The calming influence of the U.K. in Iraq was pretty well ended with the overthrow of the king and, in effect, military control of the country. So it would be misleading to say the area was quiet or that Israel had lost its feeling of being beleaguered.

I suppose all this is to say that while we were not so much directly involved in the military or semi-military activities at that time, those never could be ignored either. They had a considerable influence on Israel's needs, and on the economic programs. When a country starts putting more and more resources, whether in terms of local budget, foreign exchange, whatever, into military buildup and military maintenance, then that leaves considerably less for economic development activities. Another point to remember or to take into account in the case of Israel is that, while we had comparatively large money programs going, considerable amounts of aid compared with that going to most countries, the official assistance in fact was somewhat smaller than the private assistance and the informal aid flows into the country. At about the time I arrived the United Jewish Appeal was holding a meeting in Jerusalem, and one of the figures they used was that they had marshaled over \$1 billion by that time in assistance to Israel. Dwarfed in more recent days, at that time a billion dollars was a lot of money. Granted UJA was a major player, but it was not the only one. On the official side, in addition to the AID programs, Israel had obtained an EXIM bank loan, and was one of the earlier customers for the development loan fund. IMF and IBRD had an interest in the place. And so it goes.

I think this might be a good place to pick up on the "invitation" in the guidance on these sessions, to deal somewhat with the "people impressions" and government relations. It's partly because, in some respects, they were so good in Israel, at least in terms of the local personnel that we worked with. This doesn't mean that relationships were always good; they weren't. There were some points of contention. But as far as I personally was concerned, I certainly was impressed with the Israelis who worked jointly with us on planning and on program problems, and with the level of interest in the government, no doubt prompted in some measure by a strong desire not to let the flow of assistance be interfered with, as it had at the time of Suez, to emphasize its importance to the country, and the importance of this kind of an association with the United States. If you recall, they had had stronger direct ties with France during the earlier

period, and to some extent on the financial side with Germany, because of Germany's desire to cooperate in some form of restitution arrangements with Israel, for the damage done to the Jewish people during the war.

But I think it's fair to say that Israel always had desired, sought and looked forward to closer relationships with the United States. Evidence of this attitude is that in our weekly meeting with the Israeli government officials, these often involved the presence, for example, of the Minister of Finance, Levy Eshkol, who later became prime minister. He liked to attend, let's say, on a bi-weekly basis almost, the consolidated meetings with the representatives of the AID group. And when he wasn't there, the deputy minister was normally the primary contact on planning and the economic side. The same close relationship existed with Pinhas Sapir who succeeded Eskol as Minister of Finance - and he was a power in the political structure. Alternate meetings were held on these subjects and on technical assistance. Technical assistance coordination had been retained in the office of the Prime Minister, where our old friend Teddy Kolley was the Director General / Chef du Cabinet. He chose not to attend those meetings for reasons that I would like not to get into, but he had very able representatives who were on a constant coordination basis with us. Mr. Kolley and I had rather warm relations outside the context of those meetings. I called on him in his Jerusalem office fairly frequently and every once in a while these sessions would be interrupted by a burst through the door of the man who occupied the suite just next door - adjoining offices with a doorway between them - and the intruder was the Prime Minister, Ben Gurion. He lived up to his international reputation, in terms of his looks, his fiery demeanor, and his approach to problems, which usually had nothing to do with me or us, in the sense of the Mission, or with the purposes of my visit to Teddy Kolley. This didn't bother the Prime Minister at all. When he came in it was to talk about things he wanted to talk about, and he didn't seem to care that someone else was there, who shouldn't be privy to such conversations. It was all very informal - coatless, tie-less (open-throat shirts), nobody stood in deference to the office. (Actually, I did stand on the first occasion - and was quickly corrected).

Q: Tell us, if you would, about your position and role in the mission, and the things that primarily concerned you in your official capacity.

SKILES: I was the Deputy Director of the mission. The Director left on home leave shortly after I arrived, and I was in charge of the mission off and on during much of my stay. I'd meant to refer earlier to the rather unusual circumstances physically. The mission and the embassy were not in the same building, but they were fairly nearby, and they had the advantage of both being in Tel Aviv. The government, on the other hand, was spread between Tel Aviv and Jerusalem, but concentrated in Jerusalem. In effect, the government was in Jerusalem, and they had offices in Tel Aviv to accommodate relationships with the representatives of other countries, nearly all of whom followed the United Nations recognition pattern, did not recognize that the government was entitled to have its capitol in Jerusalem, and therefore kept most embassy and other foreign contact work in Tel Aviv, with a lot of informal exception. In the case of AID, we traded off. We'd go to Jerusalem, almost on the basis of alternate meetings there and in Tel Aviv.

Q: That's about a 30-40 minute drive?

SKILES: About an hour. Milewise it wasn't all that great, but the roads, though much improved compared to the earlier periods when I had been there, were still not avenues of rapid transit, or shouldn't be. Occasionally we drove fairly swiftly between Tel Aviv and Jerusalem, but it was not a wise thing to do. The road at that time was narrow, with a great many twists and turns to it. Some of the earmarks of the 1948 war still existed, and this was really not by inattention, but by a recognition that people who drove between the two places would do well to abstain from forgetting the kinds of problems that existed during the war for independence.

Q: In the form of what?

SKILES: Demolished tanks, wrecked trucks and vehicles. While several years had passed, these were poignant reminders of the great, if limited, battles that took place during 1948 as the Israelis strove to keep supplies going into Jerusalem and to maintain a substantial foothold in Jerusalem.

I spent more of my time on the planning and negotiating side of things than on technical assistance, which was relatively small, pointed toward institution building, but not with the same kind of cooperative organization that we found essential in some other places. It was more a matter of the American technicians fitting into the Israeli framework, than it was trying to develop mutually supported institutions to provide that framework. Incidentally, Israel, I think largely under the influence of Mr. Kolleck, but certainly not he alone, had started a technical assistance program of its own in some of the developing countries. Israel certainly felt isolated in the family of nations at that point, and wanted to use some of its people resources to establish contact, encourage mutual working relationships, be helpful, gain recognition and maintain relationships with many of the members of the developing world. They did have a lot of technical assistance work going on, stretching from Burma to West Africa. Their program was much more individualized than ours. The central office consisted of only a few people and if they wanted someone from the Ministry of Agriculture to go to Ghana, for example, they simply worked out with the Ministry of Agriculture a definition of the kind of people, then selected the individual and told the Ministry to send him. When he got to Ghana, he didn't find a mission backstopping structure. His job was to work for a local Ministry or a local private enterprise, or whatever the plan had developed in terms of the definition of the need for technical assistance.

That was a bit of a digression, but I think a significant one, not only in terms of our relationships with the local governments, but of what the Israelis were trying to do.

The other basic element of our program is what brought us in constant contact with the Ministry of Finance, the Ministry of Commerce and Industry, and the Bank Leumi, which served a central role, not only in finance, but in developing national economic plans and providing the national accounts.

Q: Were you in the mission directly involved in the problem of resettlement?

SKILES: Yes and no. Certainly yes in terms of financing, not much in terms of actually working on it. The political problem connected with settlement and housing arose somewhat later, and involved the question of settlement in areas which were not part of the original Israel.

Q: Not building housing or infrastructure?

SKILES: I was going to use this as an illustration. We put quite a bit of money into, for example, construction of prefabricated houses, and the attendant costs of settlement into them, but we didn't have American housing people working in that program.

Q: Was there a housing investment guarantee program?

SKILES: Not at that time, no. But we employed both some of the dollar import funds, and in particular, a considerable amount of the local currency equivalent of the import program and the PL480 program in things like housing, transportation, irrigation and agricultural development, and roads. A lot of money went into roads. And railroads.

Q: So, in effect we were a major source, both of foreign exchange and local currency, to expand the infrastructure of the economy.

SKILES: That's a good way of putting it. And to a large extent, that's what the special program was about at that time. You recall earlier reference to the situation where the U.S. was heavily responsible for the creation of the fund, the United Nations Fund, to assist with the interim relief, and hopefully the settlement of Palestinian refugees outside of Israel; and the accompanying authorization, and I believe it's fair to say, not really at the Administration's initiative at that stage, of roughly equal funds for relief and resettlement of refugees in Israel. So the origin of that fund was directly related to financial problems which had arisen and which were continuing to arise because of the pressure of the increase in the population from outside. Much of the immigration came from Europe, but also from Iraq, Yemen, Egypt and other more remote areas. But again, I would say by the '58 period, large-scale immigration had pretty well come to a halt, and in terms of net immigration, basically there wasn't any. There was some limited emigration, which just about offset the new immigration, as I recall the figures. The cost to the economy of settlement and integration did continue, of course, and an expanding economy was the real long-term answer to the problem.

Q: Can you describe a bit the water resources area of activity, which is so critical in that region?

SKILES: Yes, but I don't quite know whether to do it simply in the physical terms, or in the AID impact terms, but let's try the former first. The Negev in the South was a large and very dry area, which in effect had no water, not even rainfall of any real consequence. In the North, the Galilee (and I'll be excising a little license with accuracy here), on the other hand, is an area with, at least during certain periods of the year, a surplus of fresh water. Naturally the Israelis were interested in bringing these two together. Near the Sea of Galilee, there was a good deal

of intensive agriculture, made possible by the presence of water, let's say either from the sea itself, which is really a large lake, or from the Jordan River, which was one of the main sources of the sea; or the outflow from the sea, which again was concentrated in the Jordan. Large parts of the rest of the country also were seized with the problem. They had a belt of citrus-growing which was confined primarily to the coastal area because this is where the beneficial rainfall permitted the production of oranges, the famous Jaffa oranges, grapefruit, peaches and that sort of thing. And right next door you might have some potentially fine agricultural area which wasn't used because of the absence of water. In program terms, I think of some interesting offshoots. For example, a range management program was started not all that far from the Galilee, but on higher terrain, started because it was range land -- dry farm country -- it was good for raising cattle if certain things were done in the utilization of land, but not good for much of anything as it stood. I'd mentioned one other feature which had come down to Israel from historic times, and that was water spreading. There were many signs that people centuries earlier had built or adopted devices to retain the water, largely from rain, by the use of water spreading devices and water retaining devices. In the South near Masada, now a reconstructed memorial to Jewish history, for example, there still exists large, and I mean large, underground cisterns, and traces of systems which had directed rainwater into those cisterns, down the faces of the rock, and into gathering cisterns. In the valleys around, there were evidences of water spreading devices, where small dikes had been built so that water could meander in a zig-zag pattern down the course of a ravine, spread out in such a fashion that it would sink into the earth sufficiently to maintain the production of crops rather than the fast runoff which otherwise obtains and which accounts for so many "wadis" all over the country.

Now in terms of the larger programs of what you are trying to do about it, the Israelis were building an infrastructure to take water to the south, at least as far as Tel Aviv, and eventually to Beersheba. These were essentially big pipelines to take advantage of the natural flow where possible to obviate the need to use power to move the water through the pipelines to areas where water was unavailable. In the words of some of our more poetic geniuses, to "make the desert bloom like the rose." This literally was true, but it wasn't roses so much as it was foodstuffs that they were interested in producing in those areas.

Q: In connection with that, the Israelis were using some pretty interesting devices for maximizing efficiency in the use of water.

SKILES: True, efficiency from the word go, in moving the water and conserving it, and utilizing it. And this naturally created some problems. The sources of the water in the northern part of the country are sources which are not entirely within Israel. So taking of the water, even after it flows into Israel, was always a very contentious problem. We developed a number of schemes along with the local interests, on both sides of the border. The so-called Johnston plan, for example, never got off the boards, but it was a strong effort in 1954 to utilize U.S. assistance and influence toward some kind of settlement agreement between the Israelis and the Palestinians and the Arabs which involved repatriation and compensation to, as well as resettlement of, some of the Palestinians, along with major efforts to develop water resources which would be available on both sides of the border. A lot of work was done in this regard, but as a political entity the

Johnston plan was not picked up. It became more a source of controversy than of bringing people together. There are a number of things on the Jordan side -- the Yarmuk river schemes and Jordan Development Commission, for example, at the same time that we were helping the Israelis on their side of the border - to develop the infrastructure and bring the water to places where it was needed.

Q: Particularly the East Ghor Canal, drawing on Yarmuk River water.

SKILES: Yes. Further north, between Israel and Lebanon, there is a mountain range which is fairly extensive, and the water from the Litani, for instance, didn't come over the mountain, but a good deal of it came under the mountain. Springs in Northern Israel, the Yarcon and other sources were indeed the headwaters of Lake Tiberius and the river Jordan.

Q: You mean Lake Tiberius, the Sea of Galilee.

SKILES: Yes, different names for the same place.

To some extent in some places there was too much water. In the early days of the State, they had undertaken a fairly large project at the southern end of Tiberius, partly to reclaim land, but I think primarily to clear out the swamps and remove the growth so the water could run away more freely from that area and further to the south. I guess it's no secret anymore, but considerable funds were put into a power development project between Galilee and Haifa at that time, and this was largely for the same or related purposes. At that time some of the endeavors, including that one, were kept as well as could be from prying eyes. The Israelis were not interested in having other people, or even some of their own, know about some of the activities that they were conducting and sabotage or destruction from outside was always a danger. But for the sake of the future, these activities were regarded by them as most pressing and essential.

You are right in suggesting that a good deal of the assistance went into areas of activity such as water development, transportation, power development, irrigation, dams, and transportation. I recall not being able to avoid transportation in what I would regard as my first major speech in Israel at the time. It was because the facilities for getting around the place while still limited, were so much better than they had been two or three years earlier, that you could not fail to use this as an example of visible progress that had been made with our binational approach. For example, the roads earlier had been narrow, and I think vividly of the rock lining at the side of the asphalt on almost any road that you could picture that had been asphalted. In U.S. terms, this certainly was an inducement to danger, with high speed travel over those narrow roads. By the time I was there with the mission, much of the need for those rock boundaries had been taken away with better engineering, better compacting of the road beds, better design of the roads, improved mixes to provide the hard surface, and in fact to get usable shoulders rather than rock barriers at the side of many of the roads. Railroads had been improved. We had financed some of the diesel locomotives that had been brought in, to put to work on the railroads. The railroad lines had been expanded. By that time you could go from Haifa to Tel Aviv to Jerusalem and somewhat later down to the middle of the Negev. I say you could go, but I have in mind not

so much people movement, as the movement of goods. Railroads are great carriers for material, both coming in and going out.

You had asked, John, about the mission organization, how we were set up to handle these various kinds of activities. Actually, it wasn't so different from an ordinary mission in a country. The Controller's Office had a larger than normal function because of the supply program - not only accounting, but such things as end-use examinations and certifications. Of course we put a great deal more emphasis on the economic planning side than did many of the missions, and considerably more attention to the economy of the whole country in which we worked, rather than confining it to those sectors in which we had technicians working. Much of the best work on this side of things actually was done by visiting firemen. We had economic advisors and tried to keep an economic competence in the program office, and we had, for example, in the industry division, an industrial economist. People like these helped to bring about a mission attitude and helped to provide a certain competence which didn't normally exist. But it was a mixed thing. The real function of the industrial advisor, for example, was to work with the Israelis in the industrial field, but, in effect, his primary charge from our side was to encourage the Israelis to do more and more through private enterprise involving a free market economy, as against the tendency to nationalize or to handle activities in state enterprises.

Q: The Histadrute after all was essentially a socialist organization.

SKILES: I was going to say that much of this came up from what was known as a labor organization - the National Labor Federation - but which also was an industrial enterprise, the nation's biggest employer, and a center of politics. It also was the center of activity for most of the leaders who came early on the scene, many of them long before Israel became a state. Ben Gurion, for example, was an import in the sense that he had not been raised in Israel, and this was true of most of the senior government leaders in the early days. They had been involved in activities such as the Histadrute, which became very strong molders and semi-government operators in the early days of the country. Levy Eshcol was one of the few born in that area and raised as an "Israeli," and he, too, was a long time activist in Histadrute.

Q: A Sabra?

SKILES: Yes, and much of his earlier experience was in the Histadrute organization. The Mapai party was in effect a Histadrute party and Mapai was the leading political party in the country for a number of years after independence was obtained.

Q: Was there a thrust toward export orientation in industry, or was it still largely import substitution?

SKILES: I think that from the word go it was both, but it was easier to point at import substitution because exports at that time were only about \$50 million a year, and this was almost entirely in citrus, diamonds, tourism, a few other limited fields -- but all of these were important. They all were in our sense good things to help support, the exception being diamonds which was

a function of the international diamond industry - I'm tempted to say, cartel. Most of these were also at the cutting edge of one of the main things we were trying to do, which was encourage Israel along the line of free enterprise and market forces, rather than the state enterprise. To refer to some earlier comments with respect to exposure to Mr. Stassen in 1953, for example, this was the main issue in which he became interested, and I suppose, in effect, was the cause of my having been exposed to his personal interest and his involvement in the program. From his standpoint the main thing to do, as he put it, was to make it like a stream of water running over a rock, or drops of water dropping on a rock. Just keep at it, and eventually you will see some marks in the rock and eventually erosion, and eventually success in your approach. But you know this was a sensitive issue which had to be approached with some care. Influence without too much confrontation. I mentioned that the external influences always made a big contribution to our own deliberations on what our advice to the country should be. Not only did we get reputable economists to come over and work with the Israelis, as well as help us define our priorities, such as Dr. Patterson and Dr. Mikesell in the early days, but as the international institutions were developed, we tried to rely more and more on, for example, the IMF and the IBRD, to make their input. We took advantage of it as well as encouraging the Israelis to take advantage of it.

Q: Did you feel that the Israelis themselves were moving in that direction of a free market liberalized, open economy?

SKILES: It strikes me that we're talking about conflicting approaches, and indeed there were, and probably still are. One is, in a sense, the necessity for state planning in an area where resources are limited and you are trying to channel external assistance into areas which the state planning has defined as being the priority areas. And at the same time, talking about a system which to some extent denies that kind of approach. We were trying to carry water on both shoulders, and the Israelis were trying, but with much more emphasis on the state planning approach than on the market economy approach at that time. The confluence of the two, and our continuing efforts to encourage the policy of market economy, and encourage private undertakings at the expense of government undertakings did indeed lead to a number of frictions, not only amongst our own people but between us and the government. You mentioned the industrial sector -- yes, this is a good example of where the chickens come home to roost, I suppose, because the government was trying to encourage industry. It would do so primarily through government encouragement, and government institutions, because this is what they knew. But also they tried to encourage private activity. This was what their contributors knew best -- not only us but specifically the people who were instrumental in the United Jewish Appeal, Hadassa, and this sort of thing. Their influence was great, but along side this, you had developments like the Weissman Institute, which was essentially a semi-government operation.

Q: Aimed at what?

SKILES: Well, it had a number of functions, aimed generally at bringing science to the forefront of future activities there, and eventually going so far as to help develop a nuclear complex. Here again, you had government influence, scientific input from Jerusalem University and from other

scientific factors within the country, and certainly on an international level. When Abba Eban returned to Israel in 1958, I guess it was, that was his first job -- head of the Weitzman Institute.

Q: Having been an ambassador in the U.S. up to that time, right?

SKILES: The previous ten years he had spent as Israel's representative to the U.N., and during all but two years of that time, also as the Ambassador to the United States. You don't put a man of that background into the job of being the director of the scientific institution without also having in mind some of its other requirements and strong points.

Q: From a strategic point of view, what was your view of Israel's position at that point? Were they seeming to gain in strength in relation to their neighbors?

SKILES: Well John, as you've experienced, it's awfully hard to find anybody who can remain objective about Israel, or on the other side of the line, about Lebanon or about Jordan. But I try to maintain that objectivity and think I've done a fairly decent job of it. I think it's fair to say that after things settled down about from the 1956-57 period, there was remarkable progress, both actually and mentally. There was a growing sense of Israel, a growing confidence in their ability to take care of themselves; there was a growing confidence in their sense of belonging to international organizations, and of closer association with one of the two major powers in the world. Things were looking up. At the same time, they certainly recognized that while the problems had receded for the moment, they were not repressed forever. Israel was to some extent a sort of a pariah in United Nations circles, not only during that period, but during a much later period, when I was exposed to it from a different direction. Among other things, 1958 was the occasion for Israel's 10th birthday party; tenth anniversary of its founding as a state. This didn't produce a sense of euphoria, but it certainly helped consolidate an interest and a pride in the country, and a sense of confidence in what they had accomplished and what they could look forward to in the future. Of course their success in the Suez War contributed significantly. Now, whether they had really strengthened militarily compared with their neighbors, as they were to do a bit later on, I'm not so sure. Certainly the process had started. Economically they were becoming much stronger.

Q: Are there some other things about the Israel experience that you would like to give some time to? Why don't you go ahead and comment on some of the other aspects of your experience in Israel?

SKILES: Well, I suspect we've paid enough attention to Israel, but let me go back to one point I started to make earlier, and embellish on it a little bit. That is in terms of relationships with the host country nationals, such as Teddy Kollek. Among other things, he was responsible for putting me on to two or three of the committees or commissions that were working in Israel, which might only indirectly have had a relationship with the AID program. For example, the Rothchild family was financing a number of activities within the country. Teddy, in effect, had worn the cloak of the Minister of Tourism, and it was in this sense - as well as in trying to steer the Rothchilds in directions that would be most useful to Israel but would not interfere with

activities of other donors - he was interested in some sort of coordination as well as possibly some personal input. Some of the places to visit were greatly improved with Rothchild interest and money.

Q: In particular, which area or sites?

SKILES: Caesaria, Ashkelon, Masada, the country's first and only golf course.

Q: Would Jerash also be?

SKILES: I don't recall Jerash with a personal exposure, but certainly other ancient sites that we were exposed to, some in the Negev. One of the Rothchild family members, for example, was in a small party that made a trip throughout the Negev to the old Solomon's mines and to Eilat. This was not, let's face it, all in the sense of altruism. Kollek and his country wanted to make sure that various of us were educated to the needs of the country, to the appeal of certain things in the country, and, if I might say so, to the political problems which the country faced. In this connection, my own experience, and I know yours as well, meant that to some extent in certain circles, our way was paved in areas to which we went after our Israel experience. Later, when I got to Kenya, for example, a call from the Israeli Consul General was one of the first that I received. He explained to me that he had had a note from a mutual friend asking him to facilitate my entry into the scene in Nairobi to the extent that he could. This happened in other places, I'm sure, not only with thee and me but with a variety of people.

Q: Yes, I remember a call from Israelis, including the director general of the Ministry of Finance, who was traveling through Turkey while I was there, and he paid a call on me. So we've certainly shared this kind of experience, where once the Israelis made contact with you, they were apt to try to make the most of that, as well as to be helpful.

SKILES: Yes, and it leads to a point which I think characterizes many of our associations and many of our activities with respect to Israel. It was in a very difficult position internationally, and it was anxious to develop and maintain friendships and contacts. As I suggested earlier I have to assume they were interested in these kind of contacts almost throughout the developing world, and partly because of their concept that the developing countries were more and more coming front and center in world attention.

Q: And the U.N. votes were of significance to them, so they were constantly trying to build contacts and relationships that would help protect them in what they felt was apt to be an increasingly hostile environment in the U.N.

SKILES: Yes, a very important element in what we're just discussing. They wanted good and friendly contacts in a number of countries, and for a number of reasons.

Q: So, if perhaps that winds up most of the coverage of your experience in Israel, maybe we want to move onto your next experience, and how that came about.

Assignment to Greece - 1959-60

SKILES: Well, that came about I think, at least partly from a feeling on my part that the particular things that I had gone to Israel to try to accomplish were pretty much in the background and that it was time to move on. From the agency point of view, the Israel mission was pretty well staffed, and there was a need in Athens. Keep in mind that I was two years out of touch with the Athens situation by this time. I was transferred over to Athens late in '59, after a preliminary trip from which I came away with some disquiet, because of the organizational arrangements that had been arrived at, but I didn't think I really had much of a choice. So I went with a conviction that this was the way it was going to be, so that the real job was to make it work. The arrangements involved maintaining the AID mission, but combining it -- other people had different metaphors; I always referred to it as combining at the throat - by giving the Counselor of Embassy for Economic Affairs the mantle of mission director (whether he did much about the mission or not) and having the AID person then in the role of deputy mission director, in effect to oversee the operations of the AID mission. It quickly became apparent to me after arrival there, that this was indeed a marriage at the throat, and I couldn't see much prospect that it could be carried out very satisfactorily, still within the AID context, or living up to some of the doctrine that I assumed AID wanted to maintain as long as it had a mission in a place. Certainly it didn't fit in with my ideas of what I wanted to do in the future. Now to put it bluntly, I think I can say it was clear that the ambassador wanted to get rid of the AID mission, to dispense with the personnel, but to keep assistance flowing. He had previously been ambassador to Brazil and a number of other places and I understand that his approach had been fairly consistent and quite understandable, and that was as long as he was representing the President of the United States in a country, he was going to be in charge of whatever went on there, and if this meant bringing it under his own personal wing, then so be it. It didn't really mean that, but that was the direction of his influence. I thought what it really meant was that the people working with the Greeks were a source of irritation and to the extent that our semi-controls (a representative on the committee that controlled the use of counterpart, for example) still existed they were an insult to Greek sovereignty. On the other hand, "President Eisenhower is coming out on a visit and we must arrange a gift of not less than five million dollars." After a period of examination and evaluation, I came to the conviction that the best thing for the United States to do was to bring the Ambassador's thoughts to the logical conclusion which was to me to close out the mission, which had been very important and effective, but perhaps its time had come. The proposed revised function was not appropriate for an AID Mission. I've always looked back with a sense of chagrin and to some extent sorrow at the Greek experience, because I bailed out; because I declined to go on with the experience. When I was exposed a bit more to the Washington outlook on things, it was clear that it was a problem area in Washington relations, as well as in Greece. I suppose I should mention that the AID Administrator at that time was a career Ambassador who had been the last previous Ambassador to Greece. There were forces working in both directions, and their conclusion had been to try the middle ground, and I felt guilty having to some extent torpedoed this, by declining to stay on out there.

Q: *This was in Athens?*

SKILES: Yes.

Q: *How long were you there?*

SKILES: I suppose it was May by the time I actually got out, 1960.

Q: *So about six months.*

SKILES: Yes. I was starting to say that I'd become convinced that it was basically an impossible sort of situation and if the decisions were not taken to phase out the Mission then I had no interest in continuing with the hybrid. No such decision was made. Instead, they sent out in the top job a senior foreign service officer, who had also been previous USOM director in Tel Aviv, had served earlier in Yugoslavia and in a number of areas as a senior agricultural advisor, and for a short time had been the administrator of the Foreign Agricultural Service, or OFAR (Office of Foreign Agricultural Relations), as I think it was called then. In other words, a senior foreign service officer whose background really was much more AID than Foreign Service. He was to take the place of the economic counselor, and your old friend Bob Hubble, who was the GTI director at that time, was going out in the deputy's job.

Q: *So it was a different structure, right?*

SKILES: No, it was the same structure, different personnel, but it did come closer to combining at the head, not the throat. Jack Haggerty was going as the State Department man, even though his most recent assignments had been with AID. I think it was an honest effort to bridge this gap that had developed and was getting wider. When I briefed Haggerty I told him I thought it was an impossible arrangement, but that if anybody could make it work he ought to be the one. I don't know how it really worked out. I didn't see him for a couple of years after that, then I asked him, and he said, "Not worth a damn." I guess witness to that is the fact that his predecessor had been relieved early and Haggerty was invited out of the foreign service at the conclusion of his tour there. I don't recall just how long he stayed. It was in a way, a very undignified way to bring about an end to what had been one of our most effective AID missions up to that point in time. There were a number of functions which I thought deserved a continued presence of some kind or another. These were primarily along the lines of continued oversight of a good deal of money, both in terms of local currency and dollars, in the pipeline, and for which AID had responsibilities to the Congress as well as to the Administration. But accepting the Ambassador's point of view that our very presence was continuing a relationship which he considered at this juncture harmful rather than helpful, I couldn't see that an AID mission as such had any business being in business there. And I certainly don't think you need an AID Mission just to give money away.

Q: *O.K., we will begin discussion of your experience in Kenya, and could you first give us a little bit of a rundown on the state of that still colonial territory, and then what you did and your main intention there?*

AID Representative to East Africa - 1960-62

SKILES: Yes. Actually, the assignment was ICA (AID in 1961) Representative to East Africa, the headquarters in Nairobi, Kenya, with small branch offices in Dar Es Salaam, Tanganyika (later Tanzania) and in Kampala, Uganda. These three territories together with Zanzibar made up what was at that time the East African Federation. There were some federated activities, but the four areas were run much more separately than as a unit, and the U.S. diplomatic accreditations were to the individual territories. Kenya, a Crown Colony since 1920 - along with Hong Kong often referred to as the crown jewel in the British Crown - earlier had been a protectorate and a colony. Uganda and Zanzibar had been UK protectorates since the 1890s and Tanganyika was a protectorate, first as a League of Nations Mandate and later a United Nations trusteeship - so roughly since the end of World War I. The early 60s was a period of rapidly developing independence and all areas had a great deal of (increasing) local autonomy. Kenya in most respects was further along, but because of the Mau Mau rebellion which started in 1953 and continued for eight years, the British kept a much tighter security reign and independence for this and other reasons was delayed. Tanganyika became independent while I was there, Uganda about the time I left and Kenya and Zanzibar the following year. Jomo Kenyatta, regarded by the British as the real instigator and leader of the Mau Mau, an inter-tribal affair as much as a revolt against the White Highlanders, was in detention, released in 1961. He became the leader of the African political party (KANU), a minister and soon the Chief Minister. Later, on independence, he became the first President. In the '60 to '62 period Kenya had a parliament, first called the Legislative council, much of it initially appointed rather than elected and the Ministers as well as the top of the civil service (the Permanent Secretaries) were primarily expatriates. A few were true British but most were that hard-to-define group who had been in Kenya most of their lives and intended to stay - as Kenyans. A good example: the Ministry of Agriculture was headed almost rotationally, but as a reflection of governmental change, by Blundell and Mackenzie - both Kenya farmers as well as politicians, and both leaders in the independence movement - and the same was true even after independence. The countries were all different, all very interesting, and all about as close as you could get to a setting and a program need which really fitted our earlier Point 4 concepts.

The area itself is fascinating, varying from the tropical areas to the moderate highlands - Nairobi at 5000 feet and near the equator had a fine climate. Kampala (Uganda) was lower, wetter, bordering on the tropical. Dar Es Salaam (Tanzania) is on the Indian Ocean - hot, humid, soaking during the two monsoon seasons, but rather dry otherwise, the up-country quite different, including Lake Victoria, Africa's largest freshwater lake which really is part of all three countries. Tanzania even - 19,000 high. Kenya the (Mombassa's situation is similar to Dar Es Salaam) to 17,000 foot mountains. All rather vast agricultural areas, products like tea and livestock, cotton, Most of the countryside was indeed rural - small "shamba" or subsistence farming, corn the main food. (Of course any generalization like this is only partially true; lots of local differences). Tanzania had a large number of small tribes, Kenya a couple dozen, Uganda four - all major - and Zanzibar for generations was largely Arab and headed by a Sultanate; each country had a large Asian population largely involved in commerce; living practices including food use greatly

among them. And of course Kenya, while largely shamba-type, had a reputation which probably rested more on the large commercial-type enterprises run especially in the Highlands by white farmers and businesses.

The countries were not small in our terms except for Zanzibar which basically was two islands which frankly we did not have all that much to do with. Altogether East Africa was nearly one-fourth the size of the U.S. 48 states. Tanzania is a bit larger than Turkey, or twice the size of California; Kenya a tad smaller than Texas - each at that time with nine or ten million people, again Texas size. Uganda was smaller, about the size of Minnesota or Oregon, but with a lot more people, about 7.5 million. Of course the populations are much larger now.

It was a marvelous experience out there at that time. We were building a program. We were making a contribution both in terms of short range requirements for the responsibilities of independence and longer term growth and livelihood.

Tanzania became independent with only a handful of African college graduates in the country, perhaps a dozen. While not exactly representative - there were many more in Kenya and Uganda - I thought the limitation reflected the educational system in place which quickly suggested ways in which we could be useful. In Kenya, which was the furthest along in terms of education, there were about 108,000 students in the first year of school, but this was reduced to about 80 percent in the fourth year, then cut severely: the fifth year had less than 14,000, or about 13 percent as many as the first year. This was reduced by about half by the eighth year and after that year was sharply downsized again, to about 1700 in the ninth and only a small reduction in the tenth, but then another sharp cut and the eleventh had less than 500, the twelfth about 300 and about 90 went to what they called Form V, which was really college preparatory. It is true and very useful that after the eighth year some of those who lost out could go to trade schools and after the tenth to technical institutes, but it seemed to us a vast waste to lose so many who in the few short years of schooling were not really educated for anything. The second part of the problem was that the education was directed, in a sense, to take most of them away from their locales and from the pursuits which would be most helpful to the country. For example, these agricultural areas depended a great deal on rural and agricultural advancements if they were to make progress, yet very few farm boys had an opportunity to go to school and if they did the limitations in their backgrounds made it very difficult to proceed along the upward track - and if they did, how many would want to go "back to the farm"?

Tanzania and Uganda were not nearly as far along in terms of numbers, but the situations were not all that dissimilar otherwise and they provided great opportunities for us to involve ourselves in a few types of activities that would have been difficult a few years earlier - and to help bend the system a bit. First, if you were going to affect the shape of that educational pyramid in short order, you needed teachers as well as trainers of teachers, so you could slow down the big loss of students after the fourth and eighth years. Second, if education was going to help prepare the Africans for a better existence and to make a contribution to their country's development, then you had to concentrate on somewhat different kinds of training, rather than strictly academic schooling, and for these purposes, you needed to develop training institutions. In the short term,

there were very few teachers to work in the training fields to “teach teachers,” so one of the early things we did was to arrange with the Columbia (New York) Teachers Training College to take on an operational task in East Africa. It was called Teachers East Africa. In terms of manpower, it was a very large program, quite unusually large for the technical assistance kind of approach, as well as being operational in the sense that teachers were coming out to teach as well as to train future teachers and to develop institutions to do that job. It was a bit like the normal school system in the U.S. in the 1920s and ‘30s. Second, we wanted to emphasize a somewhat different kind of curriculum, although this had to be done progressively, rather than all at once. We thought the best way to attack that in the agricultural field was to try to get different students in there; students from the farms and the rural areas who had an interest in agriculture, and who would be amenable to training in institutions even though they didn't have quite the stature of agricultural training schools.

Q: Which would lead to an A Level or an O Level certificate, that sort of thing?

SKILES: Right. They would not be put into the small circle of educated people, but would be put into an even smaller circle of well-trained, to some extent educated people, but with an education designed to involve them back in their own areas, and in agricultural rural development kind of activities, rather than university-type education facilities. So this kind of a program we also got going in the agricultural field. (I shouldn't leave the impression that this approach was totally new. Some of it was going on but on a very limited scale.)

Q: Let me ask you if you had any kind of resistance from educators in those territories, from the general populace, or from the participants in the program, feeling in the sense that they were getting a second-rate education maybe?

SKILES: Oh yes, that feeling was bound to be there, but if you look back to the structure as it was, the people they were getting for the training centers had no real opportunity to fit into the regular education system anyway. So it wasn't really a choice of either this or that, it was a choice of this or nothing. And in those circumstances, you had no problem finding enthusiastic participants. As far as the general attitude was concerned, I've never been in a place that had a greater enthusiasm and a greater support for education, per SE. Now this may have been partly because they, like much of Africa, hadn't had the opportunities in the past to get educated, and it was quite unusual when a person was able to go on to higher education. The families took a tremendous interest, and had a tremendous display of satisfaction when they could see their children get into formal training of any kind. This did not apply to all tribes - the Masai didn't want any of those external influences like education to disturb their way of life, which was semi-nomadic and a “man's world,” but by and large the people were really ambitious in terms of schooling. I'm not suggesting that this was unique to East Africa; it probably was throughout most of the continent. Certainly it was true in Ethiopia. But this is what we had to work with in East Africa. Incidentally, they did have an institution of higher learning with a very good reputation in terms of the quality of its educational output. This was Makerere College in Kampala, Uganda. Parts of the East African University also were being established in Nairobi and Dar Es Salaam. Curiously enough, its main reputation was in medicine. I say curiously only

because you wouldn't expect to find in a country like Uganda a higher education facility directed that way, but that's the way it got started, and they were good at it. As part of the project and people to people's approach, the project with Columbia was done in conjunction with Makerere which was the seat of coordination so that the party chief from the U.S. at Columbia in New York City went to Makerere in Kampala and had his headquarters and his counterparts there.

Q: But was responsible for activities in all three countries?

SKILES: Yes. It almost brings us to another very important point. But to finish this one, the idea was to marry Columbia with whatever facilities existed out there, in a joint program of developing facilities that both agreed needed to be developed for the good of the three territories, for the whole of East Africa. I think that point it brings us to is that our office, as I mentioned earlier, was as representative to East Africa. There were some East African functions under the umbrella of the Federation. They had, for example, a common currency, controlled by a currency board, and run on an East African Federation basis and frankly I believe this was one of the greatest contributors to such stability as did exist in the East African economic sphere. They still had a very sound currency at the time I left. Similarly the airline, airports, post and telecommunications, East African University, research, custom, most taxes, and so on - a number of these things which could be better done on a centralized basis had been developed to cover all three or four countries. This eventually became a quarrelsome feature within our U.S. representation.

The State Department had individual representation in each of the three territories rather than federation representation. Each of the ConGens wanted to be the supervisor of all U.S. functions in his given area, whereas our approach, to the extent we could, some with the regional organizations, but most in different subject matter spheres, was to all three territories. (I think I'd better omit Zanzibar for much of this discussion). Our chief agriculturalist, for example, was chief agriculturalist for East Africa, and he developed technical assistance activities in Uganda and Tanzania, as well as in Kenya, and in that particular case, I would say, even more so than in Kenya, which was further along. Secondly, the ConGens had somewhat different ideas, in many cases, of what we ought to be doing in the area. Now, maybe you can attribute this mostly to differences in background. If you grew up in the AID concept, looking at the requirements of the country, naturally you would have somewhat different biases than you had if you came up through the political process. This may have been a cause of some friction amongst us. That was nothing new, and was not to be the last time for me. I was delayed some months, but not a long time, in going out to Nairobi. My predecessor had been moved out before he was able to really get things going, and so far as I knew, this was basically because of differences with the State Department personnel and attitude. As I've learned time after time, these things can never be entirely resolved. It's something you just have to keep working with and trying to operate amicably; trying to merge the interests as well as you can, and stand up for your own agency's activities when there's too sharp a conflict. Actually the organization was a natural for conflicts. The State people in Dar and Kampala were never happy with the arrangement where our Nairobi office was responsible for programs in their areas - and of course the direct line was less than complete in Nairobi, too.

Q: What about the British colonial authorities? How were they responding to the support for the Federation concept?

SKILES: Well, support for the Federation concept -- I suppose you could say that this was one of the weaknesses of it. That is, it was basically a U.K. promoted federation, and the U.K. had a lot to do with the development of the organizations and the practices that went with it. It was a bit of a dilemma for us, because it seemed to me that it would be a big step backwards, to let those functions be split asunder, and therefore I hoped and argued that it was important that we continue our regional activities and whether we were involved in them or not, to support that element of the three countries, which was enthusiastic about sticking to the centralized functions. I lost that argument cold. It became a good one, but it was simply not one in which the Department of State wanted to be involved, and their field representatives really leaned in the other direction. It was really a political question so it was State's to decide because their assumption was that each territory wanted to become a separate independent country, and that's the way it worked out over time, but I thought that to the extent we had influence it should be used to support the idea of a continuation of those common services on a federation-wide basis, that being in the best interests of what AID was trying to accomplish in Africa.

Q: So it was a basic U.S. policy not to promote this federalism?

SKILES: I think it was a basic policy to ignore it, yes. Not in an affirmative sense to be against it, but to pretend it wasn't there or, to put it more fairly, to recognize that the Africans probably weren't going to support it, so we shouldn't either. And AID Washington - frankly I didn't have much of a hearing -- this was at the time the new amalgamated organization was being put into effect ...

Q: That is to say, AID.

SKILES: Yes. Certainly at the regional level, there was no inclination to get into an argument with the State Department over an issue like this, and I think if Mr. Labouisse had stayed on the job for any length of time there may have been a more meaningful discussion at that level, but he didn't.

Q: This was Labouisse as Administrator of ICA?

SKILES: Yes. So it was sort of a non-issue, but a source of some differences between ourselves and the State Department representatives in the field. Naturally this applied to some of the cross-country functions as well as the regional functions.

Before I got off on the East African Federation subject, which was a natural because of the Teachers East Africa project aligned with the East African University which in turn was one of the federated activities, I was alluding to the development of a program which followed somewhat along the lines of traditional technical cooperation activities but with a distinctive local flavor. We started a public administration institute, for example, to fit a special need - training

of Africans to participate in the administration of the soon-to-be African government. Community development and family planning. Rather normal agricultural projects but in Uganda a cattle-ranch approach partly as a tsetse fly control activity and partly to improve the beef cattle herd. However, I'm likely to talk more about the unusual things.

A number of interesting things took place -- it's an area which relies very heavily on the monsoons twice a year for its crops seasons. Sometimes the monsoon behaves and sometimes it doesn't. It seems to be more reliable in Uganda and Kenya than it is Tanzania. But even in Uganda they occasionally have a bad year, either because of too much or too little rain, and when you had far too little there was an acute shortage of food so imports were required. This happened in Uganda about the same time that we were involved in developing our support for a Uganda initiative to establish the first African girls' school in East Africa; this to be in Tororo, which is not far out of Kampala, between Kampala and Nairobi. I think I mentioned earlier that there was not a place in the educational system really for girls. There were a few educated African women in the country, but not very many, and they had had the advantage of being educated in the U.K. or somewhere in Europe, which means that virtually all of them had to come from monied families. Some of the community people and organizations were dying to get some educational facilities made available to the girls, and we were delighted to pick up on this one and help support the development of the first girls' school.

Let me first say that this was along about the period when the gold budget was a real problem, from the standpoint of Washington. We had had in effect for some time, a buy-American policy, and also an anti-bricks and mortar policy -- these being not necessarily the same thing. In Uganda, one of the initial requirements of course was to build a school, and one of the initial big problems was how do you get financing for it? Incidentally, there was up and running a good cement factory; there was a wire factory that made nails; there was a fertilizer factory; in many cases in terms of the needs it just didn't make sense to buy in America the specific requirements for a given project, in this case nails and cement for the structure, for example. We still had on the books an authorization I believe called Section 550, which hadn't been used for some time, under which we were able to use some of our technical assistance money to buy corn to import into Uganda, with an agreement which put counterpart funds into a joint account which would then fund the construction of the school. This was done and it worked very well that year. But I must confess that by the next year, by the time the new administration was in the saddle, by the time we had a new regional director for the African Bureau, and by the time Dr. Fitzgerald was being phased out of the operation, it wasn't at all popular. The new regional director, for example, when he first learned of this operation, said to me, "You can't do that." And I had to agree that maybe we couldn't in the future, but in this particular case it had already been done completely in accord with policy and delegation of authority at that time, and it wasn't something we could undo or should want to. I got the blame, and it was properly placed. Uganda got the school.

Not long after the Uganda problem, Tanzania also ran into an acute food problem. First a drought, and then a flood, and then another drought. But for this one, there was more warning and we were able to get organized a PL480 program in fairly short order. Most of the

requirements for imported food were not all that far from the port, Dar Es Salaam, although some of them were considerable distances up country. Here again, but prior to the PL480 program, a little travel in the area educated a person in a hurry about several things. One is the difficulty of getting around, simply because of the absence of roads, or the type of roads you had, dirt roads which, when it did rain, became impassable. Second, there were no means of stretching one water year or water season to the next. No water spreading; very little by way of retention facilities; no dams or reservoirs. Curiously enough, there was a framework for a distribution system including warehouses, because in each of the countries there was to some extent a province organization. The province representative had access to the machinery of the government, such as it existed, and government's persuasive authorities when no governmental machinery existed. So we put into place some food for work activities and used local currency from the import program to build a few water tanks and improve the local roads somewhat, trying to offset the basic causes, Mother Nature aside, of these recurring crises.

That in turn led to a project proposal which again we would not normally really have gone into in TCA, but it was directed toward a crying need in Tanzania, and that involved the recruitment and placement of a number of young engineers. Now, what they wanted was not engineering advisory services in a true sense but people who could lay the tracks for road building; help determine where run-off culverts should be put, and how they should be constructed. Basically, the biggest, most popular job in the view of Tanzania authorities, was to run transit lines - survey crews. So what we wanted, in effect, were a number of young engineers, graduates of engineer schools, not necessarily with a lot of experience; not senior engineers at all, but guys who were willing and happy to spend time out in the boonies performing these very limited engineering tasks. We put a project proposal up on that one, which in some respects was not all that different from Teachers East Africa, but in a completely different field.

By this time, the Peace Corps was getting organized in Washington. One of the people not only with ambitions but with fairly immediate prospects of going to the Peace Corps was vetting all the incoming messages for ideas on early Peace Corps projects. He later told me that he had a system of channeling and freezing messages, which he did in this particular case so it didn't have a broad band of recipients, and was never put to the test in AID as to whether they would or would not approve such an activity, but it became the first active project of the Peace Corp's young life. Not the first project approval - I think the credit for that belongs to a project in Ghana - but the first one to hit the ground, to be operational.

Q: This was a person working in AID?

SKILES: Well, the person was when the communications first started. By the time the project got organized, he was over in the Peace Corps. Several AID people went over there early in the formative stage of the Peace Corps, and they were indeed looking for bright ideas to send people out to the field. They did it very expeditiously. I was still in Nairobi when the first group arrived. We hosted them in Nairobi for an initial briefing, and for onward transportation to their sites in Northern Tanzania, which were more accessible from Nairobi than they were from Dar Es Salaam -- basically the operating headquarters for that function. There was a little Tanzanian

town near Ngoro, also near Kilimanjaro, which was also the headquarters for our community development work, including family planning activities...

Q: *Arusha?*

SKILES: Yes, ... which we were trying to get started, and which I'll come back to later. Might as well come back to it now, as soon as I finish the point that for all practical purposes at least in those early stages Arusha was the headquarters for that engineering operation conducted by the Peace Corps. Among the differences of opinion between ourselves and the State representatives were a couple that caused some consternation. One is that the ConGen in Nairobi, looking to the fast approaching future when Kenya would be independent, was taken up with the idea that the communications facilities likely would soon fall into hands which might not be conducive to the U.S. getting along well out there, and this coincided with fears on the part of the expatriates who were running the broadcasting industry that their participation and their function was not for long. This combination resulted in an interest in finding out whether the United States would be willing to, in effect, take over the financing for the broadcasting enterprise. Well, as you can see, this is not the kind of thing ICA was getting into at that point, it was not something that as an ICA mission we could justify putting into our program. When I was called into the Consul General's office to discuss with those two gentlemen the prospect of going into that field, I was introduced with the caveat to the director of the broadcasting operation to "don't get your hopes up too high, because I'm sure Vic will find a way to say no." I thought this was a somewhat unfortunate description of our relationship, in a way, that I was always in a position of saying no to things, and therefore I'm afraid got the reputation of being something of a foot dragger. This despite the fact that from my own viewpoint, and certainly that of ICA in Washington, we were able to get started a number of activities which were unusual in AID terms, and were extremely useful in the East African setting.

The other example that Arusha brought to mind, since it was our embryonic headquarters for community development and family planning activities is that the ConGen wanted me to put in a project on population control. I, like the ConGen, had evaluated population growth as one of the most serious upcoming problems, and one that was really already with us, especially in Kenya, with a rate of increase of population of over 3 per cent a year, and production increases were not matching that rate. But this was also at the time that Mr. Zablocki was a force in the House, as I recall, he was chairman of the House Appropriations Committee, and we had to live with a piece of legislation called the Zablocki Amendment, which was an outright barrier to working in population control. So once again, I had to rely on the position that there were proper ways to argue out this kind of a policy problem, but it was not proper or wise to include in our program submission a project which you knew full well was against the law - and you weren't going to get project approval for it. This is not to say that you shouldn't continue the argument that it was an upcoming essential area that we ought to be looking at, or even to working in through the back door, as we were doing in our community development activities - some elements of family planning, but certainly not the wherewithal to carry out birth control activities. I'm afraid we could go on and on with examples of this kind, John, that are interesting. They were more than interesting to me in several different ways, one being the promotion of the integrity of the program, another being that the reputation I wanted and thought

I had in the agency was reliability in the sense of knowing the agency and what was practical and doable, and another being a defense mechanism -- how in the world do you do this sort of thing without continually getting in trouble with your State Department co-workers?

There are three other points that I'd like to bring in here, John, and then perhaps we can move on. The main one is that I was delighted with that assignment. It probably is one of the best jobs I ever had in my life. The country was wonderful, and by the country I mean all three of what are now countries. But the uplands in Kenya must register as some of the most beautiful countryside in the world. The weather is very, very good; the altitude in Nairobi is about 5,000 feet, so despite the fact that we were almost on the Equator, it was a very pleasant climate. This was not always so when you went to places like Dar Es Salaam, which I frequently did, or even Uganda, which had altitude advantages over Dar Es Salaam, but was lower and therefore somewhat more tropical than Nairobi.

The people were very interesting, very easy to work with, and very mixed. The mixture was that we worked with the expatriates who still had most of the responsible jobs at the Permanent Secretary level -- and with a very mixed bag at the ministerial level. Curiously enough, but understandably, there were more people at the ministerial level who were native Africans, many of them raised in that milieu, but also some like Dr. Kiano, who was the Minister of Commerce in Nairobi, who had really been raised in America, and then had come out to Kenya with a wife from Chicago. The Perm Secretary level is, in effect, the top civil service level and this is the point at which British administrations rely on the people to maintain a continuous presence and run the programs they were interested in.

At the same time, there were a number of young Africans being educated and being trained -- I treat these as two separate items -- so that they could eventually succeed into very responsible jobs in the government. In this respect I recall a luncheon that I had organized at our house for one of the visiting firemen from Washington, who was part of the new administration, in the African regional bureau. We had a half dozen or so young people that I thought were up and coming that would one day be real influences in that particular country. And indeed they were. One of them became a long-time vice president, and is now president of the country. Another became the attorney general. Another became Nairobi's first black mayor, and so it goes. Not because of the titles, but because of the types of responsible functions into which they eventually would step.

Incidentally, there was one aspect of our program which merited and received continued British interest and was about the only part of our program about which they had very much to say, and for which I was grateful. That was in the vetting of people that we were sending to the States or elsewhere on training programs. As you know, this becomes a key element in our project activities, and I was not at all unhappy that the colonial office wanted to continue to see ahead of time who we were likely sending. This was a kind of political vetting for which we had neither real competence nor desire, but which was still necessary, particularly in Kenya which was not far removed from the Mau Mau insurrection, and where the political situation was still very delicate. We did get U.K. clearance on participants. It was scarcely even pro forma on other activities, except for Teachers East Africa. The die had been cast in their case, although

I suppose that had we taken on activities that they really objected to, we would have heard from them. But that wasn't the case, and neither the Africans nor the expatriates, nor ourselves wanted to get into activities that weren't arrived at by mutual engagement.

Q: So would you characterize the Kenya government, in particular at that time, as being one which was still operating under colonial authority, but for intents and purposes a very large share of local autonomy?

SKILES: Yes, and in some respects it was further along than the other two countries. I suppose this was characterized mainly by the fact that the British had never built up an infrastructure in the other places to the extent that they had in Kenya. This was one of the things that helped give rise to the "Jewel in the Crown" label. It's true that much of their interest was centered in the uplands of Kenya, the so-called White Highlands, and in Nairobi proper. The Highlands had developed over the years, and the U.K. had a strong desire to see the people who had been involved live amicably through the transition, which was going to be a matter of some concern. So much for that point. But it leads me to repeat another half-point and that is that the type of the expatriates who were working there at that time was not at all as you might picture them, people from the U.K. stationed in the territory in the twilight of their careers. There was a little of this. Sir Ernest Vaisey was probably the most powerful man in Tanzania and retained his Ministry of Finance portfolio for a while even after independence, but certainly during this period immediately preceding independence he was the guy that you went to for anything connected with finance, whether it was their finance or ours. But I think a better for instance is the Kenya picture where most people had been there for quite a long period of time and intended to stay there, or if they found they were not welcome or the situation didn't permit them staying after the U.K. officially pulled out, they probably would go to some other area in Africa. In the early stages it would have been Rhodesia, for example, but by the time I left this was no longer a really viable alternative. Some of them would have chosen Botswana, South Africa, and other places a little further south where the political conditions might permit their staying indefinitely, but only if they no longer were welcome in Kenya, which was not true at that time.

I will mention only one other feature here, divided into two parts, and this will come back to haunt us in later parts of the conversation, but not in connection with East Africa. The first part is that as Zanzibar was taking steps to become independent. I received instructions from Washington to whip down to Zanzibar and literally overnight work up a small program to become an independence gift, if and when the Zanzibar mission to the U.K., which was to take place "next week," resulted in conditions under which Zanzibar would become independent. This was done, but the way it was done I think is a vivid illustration of the times we were living in. We hired a small plane to take us down there. The education advisor, the Program Officer and I made the trip. We had visited Zanzibar before, but not really on official or officially organized types of trips, because we had not at that point any intention of launching programs on the island. But we knew something about what we were getting into and that was the only thing which enabled us literally overnight and jointly with the Consul and Zanzibari authorities to come up with some project proposals in the field of education.

Now the “for instance” I want to give you is that when we prepared to go back, the pilot was nowhere to be found, but we eventually did find him resting up from a night of activities which had been completely different from ours, but even more violent in a way. When he finally arrived at the airport and asked me whether the plane had been refueled, I could see what kind of a problem we were in. That, after all, was his responsibility - and should have been taken care of the previous day because “today” was a holiday. We eventually were able to get the plane refueled from a tank truck and took off for Nairobi. I had about a hundred people, as I recall, coming to the house that evening, and was a little anxious to get back. But as we approached Mt. Kilimanjaro, which was a rather massive piece of real estate, the pilot became more and more concerned about visibility, and eventually we ran into almost zero visibility because of smoke from fires on the ground. I suppose you've worked in some of these areas where their annual means of revitalizing the agricultural territory is to burn off everything that still exists on it, and let the ashes help fortify the ground for the next year. Well, this was the burning period, and the smoke was pretty thick. By the time he'd made the decision that he could not go on to Nairobi and had to turn back, we argued a bit about where to go, and he explained that his standing orders were to go back to the nearest point on the line or nearest the line from which we'd approached, the nearest safe point for landing, and this was a small air field at Tanga which I had not been to, on the coastline of Tanzania. Besides, said he, not long after we'd completed the turn and gotten out of the smoke, there it is visible up ahead of us, so you can see it now and there's no problem getting back to it. A few moments later he said, “My god, that's not Tanga, that's Mombassa, ” which is the place that I had suggested we go to. It was much more a center of communications, had a much better airfield, and I knew it had places to stay overnight, which it had become apparent we were going to be required to do. The point is we were in a different country (Kenya) and about 90 miles off course at that particular juncture, and didn't realize it. Being afraid of the big mountain on our left, the pilot had veered away from it more than he realized and then made his turn from a different point and direction than he had assumed. That pilot was a very interesting character, despite our misadventures with him. Unfortunately, a few months later he was up in Ethiopia doing a crop dusting job and he made the mistake of coming down in an area that is frequented by tribes which were not friendly to people who flew airplanes, and that became his last trip. Despite the mean things I've said about him, I think that particular trip was illustrative of the conditions that we worked under. You could do things; you had the availability of facilities, including aircraft, but you were back in the covered wagon days in terms of some parts of the operation.

The second part of the point I want to make is that the changing outlook in Washington for the way we should do things, and the way we should commit funds was a point of some contention. I've referred earlier to the reaction a year later of an operation which had been applauded in the preceding year, and which simply was not in the terms of reference of the new regional administration, which incidentally, had come essentially from the Development Loan Fund. The example in this case led to one of my major disappointments, I guess, and that is that the United States government had decided to honor Tanzania and in a sense, reward it with a birthday gift, when it became independent. This was to be presented to the government during the independence celebrations in Dar Es Salaam, with recognizable, from an international standpoint, U.S. representation. Well, unfortunately, a decision was made to do this in the form of a \$10

million access to development loans. As I indicated to you earlier, the infrastructure in Tanzania, while admitting that it was good enough to become independent, was not able enough in specific fields to implement development loan activities at that time, and while I intentionally try to avoid looking over shoulders once I leave a place, I did have occasion to check this one about three years later and not a dollar of that independence gift had yet been spent. They would have been much better off with the technical assistance program already pretty well drawn. I must say that's a disappointing kind of note on which to leave East Africa.

Q: But is was indicative of the contradiction between the high hopes that were held out for Tanzania as it became independent, and what happened in the succeeding fifteen years in Nyerere's rule, when his version of socialism just never took hold in terms of making a roadway for development.

SKILES: Yes, I think that's right. The man who headed up the first African government in Tanzania was really in that position not only because of his own personal attributes, which were tremendous, but because he was a member of a very small tribe. There were many tribes in Tanzania, none of them big enough to try to pretend that it was going to be the real force once independence arrived, and therefore, not powerful enough as were the Kikuye in Kenya, to try to assert (or usurp) the leadership. Nyerere was a very able man, he's one of those dozen that I referred to as having been educated to or beyond the college degree level by the time of independence. There was no real competition for his mantle-to-be, which was the first leader of the independent country. (He also was an early leader of the Organization of African Unity - a pan-African organization). By educational background and as a strike against colonialism, as well as by his evaluation of what he saw there, I think it's almost inevitable that they did pursue a somewhat socialist orientation. Incidentally this trend to socialism started in a fairly modest way, I think initially largely as a means of organizing local communities in such ways that they could participate more fully and contribute more to the life of the country.

Q: It didn't work as well as he suggested it was going to work.

SKILES: It certainly didn't work as well as he hoped. You know it occurs to me that we really are talking about two different periods. My comments related really to the first two or three years of independence, and the really heavy movement toward socialism came later during a period with which I'm not really personally acquainted. The big jump came in 1977, I suspect with the consolidation of TANU, the Tanzania political party, and the really revolutionary party of Zanzibar, although it was nearly a decade earlier that the banks and quite a bit of industry were nationalized. Even this was a bit later than the period I had in mind, when the Chinese came in with an aid program, built a railroad across Tanzania which gave Zambia an outlet to the Indian Ocean. I'm not sure things didn't get progressively worse.

Q: Now we are at December 13th. This is a further session with Victor Skiles of AID, an oral history recording. And now we turn to your next assignment, Vic, which I believe was in Washington with the Bureau of Program and Policy Coordination in AID.

Regional Coordinator, Bureau of Program and Policy Coordination, Washington D.C.

SKILES: That's correct. And that assignment really starts, I suppose, with a departure from Nairobi, and a trip through the Near East-South Asia part of the world, because my assignment in PPC was to be Area Coordinator for Near East-South Asia. I'm not entirely sure where all we went on that trip, but I remember the first stop as Cairo and substantial stops in Teheran, Karachi, where the situation had changed significantly since the last time I had been there, and New Delhi.

Q: This was in 1963, right?

SKILES: Late 1962.

Q: The question I have is, why don't I remember your visit to Cairo? Maybe I didn't touch base with you.

SKILES: I don't remember much of it either, and I'm not too clear at this point what was going on in Cairo. One reason I remember the visit is that I had some problems at the entree gate getting into the place. They wanted to keep my passport, and I wasn't about to leave my passport with Egyptian authorities, whom I regarded with some suspicion as this is quite unusual for diplomatic passports.

Q: Well, it was a place where there was apt to be a little bit of stickiness. You made these stops for purposes of familiarization and becoming acquainted with the programs and the general political-economic environment?

SKILES: That's correct. Cairo I'd been through a number of times in intervening years, but Karachi and New Delhi -- I guess I hadn't really visited since 1950. Things changed a great deal during that period in that part of the world. Offhand I don't recall for sure whether I went to Ankara. I went to Iran. That area I wouldn't have been quite as out of touch with. Nevertheless, there was some reason to get substantially more current with what was going on than I was.

The guidance for these sessions indicates that the discussion should focus on the interviewee's participation in the formation and implementation of development policies and programs. Well, in that sense, PPC should have been a hotbed for such policies and programs, and perhaps it's an understatement to suggest that it was not. But I suppose basically that that is my feeling. This is partly because the Foreign Assistance Act of 1961 had codified and brought up to date many of the policies with which we were working at that time, and established a good deal of the changed framework. Another part of it, I'm sure, is that in PPC you are not as close to individual country programs and consequently less impressed with changes, as compared with working in the Regional office. When you come right down to it, it's true that many additional changes came about over the next four years, which I spent in PPC. Most of them were changes that were required in the sense of responses to changes in the world, and changes in our

justification for carrying out programs, but I wouldn't like to attempt at this point to put them all in order. Many of them were changes in emphasis.

I might as well try to have a little fun with PPC and throw a bit of cold water on it, because in looking back you can see a pattern of apparent inconsistencies. I would guess that the greatest influence of PPC in the early stages was a fortification of the macro approach to country analysis and programming - a look at the whole country, the development of a so-called Country Assistance Strategy Paper which was an effort to codify where you wanted to go, and how your program proposals would lead to achieving your objectives. Later another feature became the internationalization of assistance - and a major thrust of this was to have someone else (in most cases the IBRD) lay down the overall framework for assistance to a country, articulate the objectives and the strategy, and let us fit onto it.

We tried to put meat on the bones of the Rostow-Milliken thesis, which argued that the way to bring about real development was to influence the policies of the recipient countries so they would be favorable or conducive to development, then assure a sufficiency of outside assistance which, supplementing local effort, would provide core development of sufficient magnitude as to reach a "take off" or self-financing stage when the fruits of investment would pay for further investment without the need for further external finance on preferential terms. If for no other reason than that you can't do this everywhere it leads to a concentration on a few countries - sometimes referred to as "islands of development." A bit later, partly in response to changing conditions in the world and partly due to the interests of our supporters, a main target becomes assistance to the poorest of the poor - not only to the poorest countries, but also the poorest people in other countries - and to those affected most severely by the vagaries of nature - disaster assistance. The result is the opposite of concentration, more countries rather than less on the assistance list. Another apparent contradiction: the desire to show the flag, to demonstrate a U.S. interest and desire to a cooperative relationship almost everywhere, and perhaps particularly to recognize and help newly independent countries to take the right road, leads you to a long list of recipient countries and eventually to a reaction that we are in too many countries, have too many programs - cut back, phase down, phase out - the anti-scatteration policy. We were consistently, it seems to me, at least in principle, placing increased emphasis on supporting, encouraging, and trying to help bring about conditions for private industry and free market economies. But, at the same time we were doing things which would increase emphasis on national planning, and to some extent these may seem contradictory. Certainly there was a greater recognition of the development emphasis in our programs, and yet somewhere along the line we were encouraged to pay much greater attention to, and did in fact expand activities such as disaster relief, involvement in military support and supporting assistance or defense support to the countries that were involved in military buildups, whether for internal or external purposes.

So much for apparent inconsistencies. The point is that there were changes as we went along, and it was PPC's responsibility to articulate the changes and to see that they were carried out. Where did they come from? Where do ideas come from? Some were from PPC of course and

from other parts of the agency, but also from State proper, the National Security Council, the President and his immediate staff, the Congressional committees.

Naturally, there was a good deal of shifting in terms of area concentration, both because of political points of friction resulting from competition with the Soviets and to some extent the Chinese, and support to institutions of security focus more than development focus, such as the CENTO, the Baghdad-less "Baghdad Pact," which ran from Turkey on through Pakistan, and the SEATO arrangement, which ran from Pakistan on down primarily south of India. India never did join one of the pacts. It nevertheless continued to be of considerable interest to the United States, and consistently was one of our bigger programs. CENTO without Iraq was somewhat different from the Baghdad Pact, but basically, the main program principle in that part of the world had to follow the main political interest and a major part of this was in helping develop a ring of containment; that might be putting it a little too strongly, but to help strengthen a geographic barrier between the countries that were basically friendly to the west, and those which were more aligned to the east. (Afghanistan was the exception; it was a country in which the middle ground was the prevailing influence. It was a subject of interest both from American and from the Soviet point of view, and to some extent, we carried out competing but also complementary programs in that particular country.) The buildup in Vietnam was taking place, and eventually this became the area of greatest concentration - at times better than 50 percent of the total aid available to the agency went into the Vietnam area. Other periods of concentration, such as the Sahel in Africa, came somewhat later, as did the African Development Bank, but meantime, the Asian Development Bank and the growth of coordinated, jointly developed and jointly financed agencies in Latin America had been given a good deal of emphasis.

In a somewhat different vein, other things changed. The prohibition on population control was removed. The nongovernmental agencies were given increased recognition. Actually, when you begin to enumerate them, there were quite a number of changes over this period of time; changes in emphasis and degree, rather than plowing entirely new ground in most cases, but changes nonetheless. Some of these were real, some cosmetic. Certainly some of them were in response to changing attitudes on the part of our congressional masters, and in the broader field of the AID constituency, which was not all that great. It's great geography-wise, but what I mean is that AID has always suffered from the lack of a built-in constituency in the American body politic, and it was always necessary to be aware of this deficiency, and aware of the need.

One example which I might use of the changing or changed attitude, and also an example of what requires not short-term but consistent and long-term focus, is the cooperation and coordination with other donors. The '61 Act codified the belief in mutual assistance, and expressed the hope that all countries able to contribute join in the common undertaking in order to meet the goals of the Act. It charged the Executive, among other things, with the responsibility to take into account the availability of other free world assistance on reasonable terms in making development loans. So one of our functions was to assure greater coordination with other prospective donors to provide closer coordination with such international agencies as the IMF and the IBRD, including the formation of consultative groups often under the sponsorship of the IBRD for countries of special joint interest; and functionally, a greater

emphasis on centralized planning under the leadership and guidance of the IBRD. Developments along these lines, as I indicated, require a considerable period of time to be effective. Certainly they didn't start just in this period either. I may not have mentioned earlier that when Tanzania became independent, the development plan and guidelines had been developed very largely by an IBRD team, which had been working on the problem for some time. In fact we had IBRD teams in each of the developing East African countries. We worked closely with them, and their priorities turned out to be very much the same as ours. They were not only an obvious but a good point of contact, good point of influence in developing better planning for those particular countries, and certainly a big step in the direction of internationalizing development assistance.

PPC and the Administrator, Mr. Bell, brought with it an attitude. Part of this attitude involved paying considerably more attention than might have been the case in the past, to academia. A number of these were articulated and made a part of the development thrust, including the Rostow-Millikan thesis. The director of PPC, Hollis Chenery, was a reputable macro economist, and he did a great deal to introduce increased attention to this kind of approach, to all of the agency's programs. This resulted, of course, whether we liked it or not, in improving the reputation of and concentration on national planning activities in each of the countries in which we were working and on the necessity for internal policy adjustments. One of the unfortunate features, it seemed to me, is that it concentrated too much attention on the significance of material resource transfers, and too little on the necessity for education and training and the development of local institutions. It also contributed to an increase in paperwork and wasn't always all that favorably regarded by our missions, who were responsible for ginning up a lot of paperwork to meet the new requirements. It resulted not only in attention to sector development, but to country studies and country strategies to which the various elements of an assistance program could be directed. It obviously was a contribution to bureaucracy at the same time.

Q: Are there some other thoughts and comments you would like to make about your five-year PPC experience?

SKILES: I'm not sure that I've made very clear what we were up to and what did happen, and I won't try again to enumerate individual things. But I would reiterate that I think this illustrates that policy isn't made in one place or at any one time, that it's really a continuous process, and often takes the form of changes in emphasis or gradual change, rather than new pronouncements and really new directions. Perhaps simply because it was an extended period of time and a gradual processes, I tend to remember more some of the individual, exceptional cases, rather than the sorts of things we spend most of our hours, most of our days, most of our months working on. Three or four examples of this: One is the Administrator's Program Review -- I'd mentioned earlier that Mr. Stassen did this in an outstanding way some years earlier. I'm not sure that that became a habit or that it's a function that can be carried out successfully by very many of our Administrator's, but David Bell was certainly one who could do it, and do it well.

Q: He was certainly a capable policy formulator.

SKILES: Not only that, but he had a knack for understanding country situations in a hurry. He liked to get into the guts of the program to make his own judgment on whether we were doing what we ought to do in order to meet our objectives in that particular country. And he was particularly good at what I should have used as the first focus, which certainly was his, and that is, "What are your objectives in a particular country?" Following on from that, "What is your strategy, your program, what are your results?" Well, I got a healthy exposure to this exercise, I think, simply because a few of my countries happened to be the first ones up to the batter's box. So I organized the original meetings. The idea had been that the PPC regional coordinators would organize the sessions for their respective regions, but the early sessions went quite well and I was asked to stay on with that particular job, so I did it for the whole world, and it was quite an experience.

Q: This was a period of especially significant work in that region because it was in the forefront of a great deal of attention, perhaps only exceeded by the focus of government at the highest levels on Vietnam, among all world regions.

SKILES: Well, that probably was true. So many things were happening, John, that attracted a focus and responses in the form of programs. We mentioned earlier that India had always been a big program, and indeed it was one of the biggest, moneywise as well as peoplewise. Because of what was going on there, because of the way it fit into the region, because of the nonaligned movement, which in some respects we were in competition with. India was a center of attention for both movements. Africa also, while probably not as vital an issue in some senses, provided concerns of real interest to the United States and to the AID program. We were going through a period of independence and starting with, I think, four independent countries, and ending up with more than 30 with whom we were working in Africa.

Q: But your NESAs region was the center of attention far greater than the larger number of countries in Africa, right?

SKILES: That's true. But I may have a little trouble with the concept here and that is that I switched from NESAs to Africa partway through the process, and ended up actually with Africa rather than NESAs.

Q: But it was certainly a dynamic period in Africa as well. So you were not involved then, with NESAs, during the period of great focus of attention on India as a major food importer, whose production needed to be turned around. By '66 you had moved to Africa.

SKILES: That's correct. But the Indian problems along that line certainly had begun to develop sometime earlier too. The problem had always been there in terms of many more consumers than domestic production could take care of, but in the fifties the Indian Government started to do more about it. In the early mid-50s MSA was financing food imports. PL480 came in in a big way - India was the world's biggest program under PL480 - and I don't know just when the big assured supply commitments were made, but a three-year agreement signed, probably in 1957,

and a four-year agreement in 1960 brought shipments to about the four million ton level. That is a lot of food.

Q: As I recall, in 1964, '65, and '66, India was experiencing a drought and increasing requirements for imports, which involved, notwithstanding Vietnam, a great deal of attention, even of the President.

SKILES: Yes, and as I recall this - the specter of millions of people there without sufficient food - plus the worsening situation worldwide resulted in some substantial changes in the PL480 authorization in 1966, including greater use of food aid for humanitarian purposes - disaster relief. PL480 Title I shipments by that time were at about the 6.5 million ton level. India bought a lot of grain with its own resources, and I suspect we had large shipments under disaster relief, but I don't really recall the particulars of that. Once the weather got more reasonable, India's own production improved considerably, helped by improved internal policies, including price arrangements, increased use of fertilizers, the success of improved seeds (the miracle grains / the Green Revolution) and by the early '70s India was an exporter of grain, and I believe the PL480 sales arrangements were brought to an end. But you are right; I was not involved. Incidentally those programs resulted in the greatest U.S. holdings of local currency accrued anywhere. It wasn't until years later that this problem was sorted out because you really had very competing influences. One was that it became an embarrassingly large amount of money to be held by or for an outside country, namely the United States. Yet these were U.S. resources that we were somewhat disinclined to give away without getting something out of it. So this resulted in fairly laborious efforts eventually to get the slate wiped clean.

Q: Right, by disbursing rather large amounts for major undertakings in India, but also some very interesting exchanges in various fields, including health and science between the rather significant research institutions in India and research institutions in the U.S.

SKILES: Yes, and another way of putting it, in a way it was a matter of converting what had started out to be identified as loans, into grants for mutually agreed purposes. India wasn't the only place where that took place, of course, but it was the biggest.

Q: Right. I was away from the scene for a little while you were talking, but would you then want to reiterate or elaborate on some of your experiences in Africa that were of most significance?

SKILES: Well, despite the regional orientation, what I've been talking about really was our participation in a non-regional kind of function. Policy development or enunciation, program implementation: we were at the cutting edge in a sense, between the worldwide approach of articulation and the regional approach of application, so that we did have the function of working with the regional bureaus in trying to make sure that they kept these high-faluting principles in mind as they were going about their daily business; and also serving as a screen on regional or country matters for the Administrator, in case it was the PPC desire to influence his thinking or make him aware of certain things that might not come to him in the normal course of events.

But it was not that we were working simply on Near-East problems while assigned to that particular job, or on African problems, when assigned to that area.

Q: Would you care to elaborate on the degree to which your job and the PPC function was engaged in the evolution and development of new policy ideas that went up the line to the Administrator or higher in the U.S. Government, as opposed to being the watchdog of policies evolved and enunciated at higher levels and passed down to you for monitoring what was going on in the operational bureaus?

SKILES: That's an easy one to reflect on but a hard one to answer. I wouldn't like to emphasize the latter or watchdog role; rather that was more a matter of working with the regional bureaus in getting the message out to the field, then participating in the review of the results. The regional administrator is in the direct line of command, so you should tolerate only a limited amount of getting the staff function in between him and the Administrator. On the other hand, as I suggested earlier, I tend to look on PPC as the originator of some ideas but more of a catch-basin for others that come from a variety of sources - Congressional committees, White House, State Department, Office of Management and Budget, the Administrator - and packaging the results. One of the packages, of course, is the annual Congressional Presentation, which PPC has the responsibility for putting together and after appropriate staffing...

Q: And for interface with the Bureau of the Budget, or OMB, right?

SKILES: Right. This is part of the "appropriate staffing." This then becomes the President's proposal to the Congress. The Congressional presentation really involves the budgetary process. We give it a different name, but in many agencies that's exactly what it is, and yes, we did have the interagency responsibilities of that kind. But you brought out something else which I've barely referred to earlier, and that is one of the main jobs was to serve as the staff for the Administrator. Now how do you distinguish between this and the job of the Regional Administrator, because that also was his job? It's not as though we were strangers to each other - the Regional Coordinator, PPC and the Regional Bureau. We probably got most of our input from the Regional Bureau and put together the packages. Only if you had unresolved conflicts would you need to take an issue to the Administrator. Often, of course, we were dealing with different kinds of subjects.

Q: To go on with that thought, as you were interacting with the regional bureaus, you were perhaps in the role of reminding them, and encouraging them, and pushing them, and then monitoring and reporting what they actually did, along the lines that the Administrator, or other high-level policy sources were trying to get done, is that right?

SKILES: That's a good way of putting it. I think one way you might illustrate it is as the annual cycle, in which we would participate with the regional bureau in getting guidance out to the field for program submissions. These followed the centralized consideration of issues to be dealt with or treated on a worldwide basis. Participation with the bureau in getting the guidance out,

participation with the bureau in country reviews when the program submissions came back in, participation then

at the Administrator's level, when these did take place, in further review of the individual country programs -- these then not only to be carried out in terms of program operations, but to serve as the meat and potatoes for the next round of congressional presentation, which in turn, then set the basis for the next round of the annual program -- back to the guidance to the field, the field submissions, the individual country reviews, and so on.

Q: Can you talk a bit about some of the major considerations which went into the determination of relative region by region allocation of resources, and country allocation of resources within regions? How did that process work, and what was your personal role in various times?

SKILES: Well, the personal role was certainly junior to the role of the Regional Administrator. It's hard to know where to start here, but in a sense we always tried to have programs come from the ground up, but with the normal and natural and necessary overlay of the earlier look from the top down. And I don't know that you can put into one package the description of how you arrive at the total levels for the aid request, or the division amongst regions and amongst countries which starts out, for example, being really amongst countries, and not regions. The region is a sum of the countries. I like to think of it as starting out internally in AID with the bottom-up approach - the country first and the region is a sum of the countries. But obviously you have to have some parameters. Externally it starts at the other end with BOB establishing a total mark for the government which includes a specific mark for AID naturally brokered by the insiders. If the insiders include the President as they did at that time, largely because of Vietnam, then the "mark" comes from a pretty high level and the debate over it is about finished.

Q: The region is sort of a vague concept that doesn't play in the outside world very well. I would like you to, maybe if you can, take the case of the tilt toward India in 1962, as the result of the interactions of the U.S. between Pakistan and India, in light of the Chinese invasion of India in 1962.

SKILES: If I do, then I think we might be getting close to the meat of the matter, which in many of these things, particularly the big things, are really the result of interpretations and reinterpretations of the U.S. interest in an area. This doesn't start from an aid interest or a development interest, it starts from a political interest. And those change as well as do the locations of extreme interest. I was looking the other day, at an old statement of Assistant Secretary Rountree, head of the NESAB Bureau in State in 1958, which is at the time I was in Israel, and the political interest in what the Soviets were doing in that area was much greater than one would gain from listening to my comments about the Israel program. But in a sense, Israel was part of a much larger concern for what was going on in the area, and particularly at that time, for some rather overt Soviet steps in a number of countries. Specifically as to your India-Pakistan point in 1962 - AID does not make the policy on situations like that, it follows the policy.

Q: Political-military concerns have a lot to do with how we view what we should be doing and how we should be doing it in a given country, and both may transcend AID's responsibilities, per se?

SKILES: They certainly do in many cases, and they cause significant changes in what otherwise the AID approach might be, both in terms of what we do and how much we do.

Q: Did you find yourself personally -- if I understand correctly, you were still involved in the NESAC coordinator role during this rather turbulent period of the Chinese incursion into India. Did you find yourself personally involved in some of those rather dramatic events?

SKILES: It seems to me that the real crux of that issue had been passed by the time I got in there, John. Timewise it doesn't smell like that, but I arrived at the end of '62, well, perhaps I should say because although I arrived at the end of '62, it seems to me that most of the hard decisions had already been made. And when you put the question in terms of what was going on in '63 and '64, they were largely the results of decisions that were made earlier. So that sure, there was a big impact on the program, particularly for India.

Q: This was a period of continuing evolution of the India-Pakistan agreement on water use and water sharing, both on the west side of India and on the east side of India as well, where you were dealing with Indus River Basin problems and Ganges Yamuna problems that ran across country lines. Did you become involved in those issues?

SKILES: Not very much. Again, I would say that it seems to me the period of real concern policy-wise had been past. The basic agreements were signed, I believe, in 1960. Sure, there were activities from that point on. I was going to mention the big Ganges development program, for example, but the seeds for that had already been sown, and it seems to me at that time what we were faced with was not so much decisions with respect to what we should do, but in the doing of it.

Q: And in that doing, there were policy problems. Did they tend to fall in the realm of the bureau, per SE? Or were they of concern to PPC?

SKILES: Well, I guess I'd have to think about this one. The particular kinds of problems that your question alerts me to weren't really handled by either, except in implementation. They were largely political problems, and largely out of AID.

Q: In the hands of State and Treasury, and the White House, and IBRD -- is that the right way to paint that?

SKILES: That's my impression. Now, I'm not entirely sure we're talking about the same thing. As with the River Jordan, we may be involved in proposals which in the initial stage are designed to get across or get through some of the difficulties, but basically that stage is a State

responsibility, rather than an AID responsibility. The Johnston plan, for example. We had some input to it, but it was not our baby, it was a State Department baby. Incidentally it was not accepted on a political basis. The Arab League said, "No." Now, had it been accepted, then it probably would have been almost entirely our responsibility. And I think that's the situation, that we were at that juncture in India and

Pakistan, and the major burden would have been on the regional bureau.

Q: As you thought about India and policy matters which had to do more with development than with broad political or political-military considerations, were you wrestling with issues of private enterprise development, or a liberalization of the Indian economy, or with industry versus agriculture issues?

SKILES: Yes, and again I don't recall these quite as clearly as I do in some other areas, but this kind of thing was basic to the PPC role, yes.

Q: And because there has been some consideration of the issue of emphasis on private versus public enterprise and macro-control of the economies in relation to this oral history program, can you shed any light on how much of an issue that was in the mid-1960s, in your experience?

SKILES: How much of an issue where? In Washington?

Q: Yes, in Washington, and in trying to direct country programs. Were we giving significant emphasis that you recall, to the issue of moving countries toward more liberal economic policies, less central control and direction?

SKILES: If I missed that in the earlier part of the discourse, it was an oversight.

Q: Oh, maybe you covered that.

SKILES: I don't think I did cover it very well. I mentioned it as in some respects a sign of gradual changes, rather than jump-off points, and also seeming contradictions in some of our approaches. What we were doing in PPC with regard to country programming, giving some attention to the Rostow concepts and so on, resulted necessarily in increased national planning in various countries, and at the same time we were preaching to the countries that the government ought to be getting more and more out of business, which seems to me logically an argument for less and less planning, at least in the sense that as they did the plans, what they had in mind primarily were things governments should do, government institutions should do, to carry on development programs. That sounds inconsistent with the drive at the same time to convince government and private people that the important thing is to get onto the basis of an open and free economy, where private enterprise has a fair shot at everything that's going on, where prices are determined by demand and supply, and not by rationing and government control on imports. So, yes, to me it seems that there are contradictions, therefore necessarily there are quarrels. But

at that stage both national planning and reliance on market forces are good things, so you end up trying to do both. Both are necessary things.

Q: I kind of had that recollection too, that we were promoting private enterprise; that we were encouraging the use of market forces to shift economies in appropriate directions or desirable directions, and at the same time we were not averse to a considerable dose of central planning, as long as it didn't quite move to the totalitarian style and I think my own experience runs in somewhat the same direction. Do you have any recollections about issues of broad economic policy that don't have to do particularly with the role of private enterprise, but rather on macro issues like formulating appropriate exchange rate policies, and how those were to be implemented? Were those PPC concerns?

SKILES: Perhaps I can divide this into two levels. The first is somewhat more general. Sure, whenever we were using or encouraging a macro approach or when in a balance of payments situation - for instance, whenever you were pressing the Rostow-Milliken thesis - you necessarily focus on broad economic issues in the country, usually called the Self-Help principles. This can safely be called a PPC concern. But when you came to the more specific issues stage such as appropriate exchange rates or a devaluation, it seems to me that you turned as quickly as you could to the real experts on that issue which means the IMF - and usually you'll find it the other way around, that is, the IMF already was seized of the problem, was already involved in those considerations and they would consult with us. When they did so it was likely to be more with the man in AID responsible for the country program - real country expertise, and that usually means the country guy in the regional bureau. Surely that had been my experience earlier with Israel and Turkey. I think this is partly because eventually IMF wants something else from us, and that is a good feel for, if not a commitment of, the AID input in the form of material resources to support a devaluation program. Another thing is that tinkering with exchange rates is a very secretive operation because fortunes can be made or lost if there are any leaks, hence the circle of people actually involved tends to be very restricted when it comes to crunch time.

I guess what I'm saying is that PPC was active in promoting principles and appropriate plans, but not really appropriately staffed to be the real experts when it came to specific implementation.

Q: Can I turn your attention, then, to Africa again, and ask you as you recall your experience in those early years after the great rush of countries to independence, in the late '50s, early '60s in Africa, do you now think that we had an optimistic view of Africa, or did we perceive Africa as being a region that would confront us with the serious problems you have today with half the population of sub-Saharan Africa in poverty. Would we have anticipated that at that time?

SKILES: Africa is such a big continent that it is dangerous to try to generalize. You know, I think a lot depends on your concept of the degree of U.S. involvement and responsibility. It is one thing to be aware of problems, present or emerging, and quite another for the U.S. to

determine the essentiality of doing something about them unilaterally. It gets back to the "U.S. interest" label. I would not argue that it always has been applied wisely - but it's there. Our involvement just wasn't as great or as close as it was further north and east or in much of Latin America. I doubt the emerging problems were all that much of a surprise as it was an assumption that the U.S. would not be involved in them as heavily as we were in some other areas. We will talk more about that later on when we come to the United Nations chapter.

This is a bit of a digression, but if you think back to the earlier period almost all of our big programs in Africa involved the security complex. Most of the money went to North Africa - Morocco, Tunisia, Libya. Ethiopia was an early small program, but it got big because of the security problem - you might say because of the desire to keep them on "our side" rather than have the forces of revolution become closely identified with the "other" side, which is what happened. Sudan somewhat the same complex. Nigeria was a big program in Point 4 terms, but it became a bigger money program because of the security problems as did the Congo - Zaire. As I recall the only other exception was Liberia which always was a special political case, much of the effective population there being Negroes from the U.S. If you set aside these special cases then the program for the entire continent was fairly modest in money terms until some of the big loans were made. I've referred to this before, but that is one of the concepts that appealed to me. We could afford to design "people" programs - activities which would help enable them to lift themselves by their own bootstraps. As you have suggested, that's not as popular an approach as it once was.

Back to the main point. There was a strange complex at work here. We had been pressing, supporting the movement toward independence, but we were avoiding substituting ourselves for the largely European or colonial presence. From an African viewpoint, they probably for the most part regarded us with some suspicion, also as potential colonialists. I think we were much more interested in seeing that African, or Pan-African, institutions would develop and help police the continent's problems, together with UN rather than US involvement. Optimistic view? Yes. In many respects a rich continent, rich in natural resources. Serious problems and poverty? Indeed yes. Sub-Saharan poverty? It got a lot worse particularly with the prolonged droughts which began in the late sixties, but it was always there. The U.S. had not "taken it on."

Q: The whole problem of the deterioration of the natural resource base has been a problem in subsequent decades. Did it seem, as you recall, to be perceived as a major problem at that time?

SKILES: I'm tempted to say, "You bet it was perceived," not only then, but as far back as Dr. Bennett's little lectures, but that would be a misleading answer because it was not given the attention in AID terms that it received later on - and even though AID got increasingly involved, especially in the Sahel, the problem is one that will continue to beg for increased attention. I think the U.S. has done a better job of calling attention to the underlying issue in the international agencies, compared with bilateral programs. As you may recall, this period was one of more emphasis on the "poorest of the poor" in the c.c. programs and much more attention was given to such elements as humanitarian assistance than to the preservation of resources. These

are not unrelated and often come together as they did in the Sahel, but those programs while started earlier really stem in large measure from the early '70s, not the mid-'60s.

Q: The drought of '73 perhaps precipitated more attention to the natural resource base and its deterioration in Africa than had been given before, as best I understand it. But I wasn't involved as much in Africa in the '60s as you were.

SKILES: You are certainly correct in the sense that '73 was the watershed, but a lot of work was being done on the Sahel a year or two earlier. I had been out of touch for a few years, too, but when I came back to Washington in late '72, there was a lot of activity in the Sahel and further south.

Q: But you were probably concerned in one sense, in that I think you already alluded to issues of population increase and the multitude of impacts that that has, and along with it, the increase in the number of animals and the deterioration of the resource base that come with that.

SKILES: We almost need to establish a time framework here, John. There was plenty of literature available, calling attention to the basic problems. I would say that our concern for those problems in parts of Africa, certainly in Ethiopia, later in East Africa, go back quite a ways, and they get some focus and some considerable attention, oh, let's say in the late '50s and very early '60s. But much of the continent still at that point had much closer ties with European countries than they did with the U.S. There were some severe limitations on us, including the Zablocki Amendment on population control, but by the mid-'60s these had largely disappeared and it was possible to do a bit more about the problems in the country programs.

Q: When you were working on Africa in the PPC, I believe we didn't yet have very many missions in Africa. We had a representative here and there, and you sort of operated out of Washington?

SKILES: Well, I wouldn't characterize it quite that way. It's true that most of the in-country representation was quite small, as were many of the programs, but as I recall we had over 30 country programs going by about the mid '60s, 1965, 1966. It was quite a rush, and I suppose this was one of the reasons I was working on the area. As a matter of fact, a year or two later, certainly by '67, we were doing "close outs." But you also remember another accident of history, and that is the Development Loan Fund had been started two or three years before the Act of '61, and in the reorganization of '61, it so happened that much of the new African personnel had come up through the DLF framework.

Q: In part because the guy who was the designated Assistant Administrator for Africa came out of DLF, right?

SKILES: That's right, and they had quite a different concept of mission responsibilities (or Washington responsibilities). Secondly, many of the programs tended to be focused on loan opportunities rather than general assistance or development programs. I referred earlier to the

problem in Tanzania when the birthday gift came along, and the country simply was not equipped to get up and implement good development loans at that stage. This helps account for the fact that the biggest programs then in money terms probably were in places like Ghana, and much of that on a development loan basis. The infrastructure was better and there were people available who could get up project proposals and help manage them. The big expansion countrywise of course was in “new” places like Zambia. I suppose I could almost characterize it as the newly independent, far less developed kind of countries, where in my view you did need a different kind of an input to get started. It's hard to be consistent in talking about this in general terms. I mentioned that Central Africa was always a problem. You'll recall the big blowup in the Congo, for example, and this, I suppose, was part of the decolonization process.

Q: You're talking about the post-Lumumba period, right?

SKILES: I'm talking about the Lumumba period and the end of it, as one of the evidences of a blowup which has ramifications throughout a fairly broad area. Or take the small area, which we now refer to as Rwanda and Burundi. The tribal problems in that area have been there for a long time, and they are always subject, and I'm afraid always going to be subject, to explosions which result in internecine warfare, primarily between or among tribes there. These are not, therefore, the ideal setting to try to carry on a development program. But in many of the smaller countries, it was a matter of getting started, and of having very limited resources to work with in the starting period.

Q: Very difficult to generalize about Africa, because Africa is so different in its various parts and various countries. But you were struggling with initiating programs in a wide range of different countries coming out of different colonial experiences and having different levels of capacities for initiating development action. Would you say that it was a very significantly different kind of a process that you were engaged in when you were focusing on Africa, as opposed to when you were focusing on Near East and South Asia, and to what extent do you recall cold war considerations having an impact in Africa, relative to the kind of impact it had in the Near East and South Asia?

SKILES: Significantly different, yes. At that time the Near East/South Asia programs were much more mature. The Cold War did have quite an influence in Africa, but it was not so immediate in terms of the programs except in North Africa and it was hard to tell even there how much external influences tended to affect local problems, including historic differences within and among the countries. Still true. We had an air base in Libya, but were on the way out even though the internal revolution didn't take place until about '69. We had military assistance also in Ethiopia but “came the revolution” ('66-67 when Haile Selassie was deposed). Ethiopia took the other path and was pretty well aligned with the East. So there was a lot of turmoil in that part of the continent. Further south I believe in general the problems were more indigenous and the competition was not usually so much in the military/security sense, but certainly in terms of the popular phrase, the battle for the hearts and minds of the people in a period of rising expectations. It is easy to oversimplify. We must remember the Soviet doctrine to be willing to help in any area where the revolutionary forces were inclined to the socialist way of life, and the Cuban supply of significant forces and military training. In short, “containment”

didn't apply so much, but Soviet and Chinese expansionism did. Some countries - the Guinea, Ghana, Mali complex comes to mind - had already chosen the socialist path and were using Eastern bloc advisors. In short, the impact of the Cold War was there, but with a few exceptions it did not have the military connotations of the Near East.

Q: Can I take you back to Ghana and ask you how you perceived the Nkrumah government programs, which by the time I had experience in that country, we looked back at with considerable chagrin and perhaps even disdain in terms of misallocation of resources, not entirely, but at least there were serious questions about what the Nkrumah government did on a number of fronts. I wonder if you could comment on what the view was in the '60s. What was going on in Ghana?

SKILES: You know, Ghana is an interesting story, and one that you know far better than I, but I should issue a general disclaimer in the sense that I don't recall having much of anything to do with the program there. In the late fifties/early sixties the three countries - Ghana, Guinea, Mali - made clear that they had chosen the socialist path and made some steps toward a union, but these never came to fruition. I believe they all had agreements with the Eastern bloc and were using Eastern advisors. Ghana in particular was a potential economic showcase - lots of natural resources, including minerals, and good export markets; it was the world's largest producer of cocoa, for example, and a key player when the international cocoa export control scheme was formed. I'm sure there were good reasons for the U.S. to keep a toe-hold despite the fact that Ghana, like the other two, was a one-party state, by 1964 a Socialist state and dictatorship, and not all that friendly to the U.S. Nkrumah, the leading politician and the first President after independence, was a great spender and did a lot about schools and hospitals, but also athletic pavilions, showcase meeting halls, that sort of thing. Under his influence the country was pretty well bankrupted, but he lasted until 1966 when the country was taken over by a military-police coup which promised new elections and a new constitution and expelled the Chinese and East German advisors and teachers. I wish I could say that this probably is about the time that the U.S. got involved in large-scale project loans, and I do recall some discussions about the aluminum plant in which there was U.S. private industry involvement, but actually I think this came after the loan to help finance the hydro plant on the River Volta, which was probably the biggest project of all - and this was during Nkrumah's time. Incidentally, he was not beheaded. He was on a trip to China and North Vietnam at the time of the coup and was not allowed back in Ghana, but was given asylum in Guinea. As you can see, I'm not speaking from personal experience here, but that probably is indicative of how we got into some of those capital intensive projects. Whether we or the Export Import Bank were involved in any of those "misallocation of resources" activities, I just don't know. Political interests aside, I hate to say it, but I think that to some extent Ghana was one of the favored areas and that was partly because it already had advanced considerably and had the capability to mount programs, particularly with the project loan approach. It happened to fit in with the outlook and the operational possibilities which were reflected in the Africa Bureau at that time.

Q: That is to say, major capital project orientation?

SKILES: Yes.

Q: What about Liberia and the kinds of showy projects that dominated a lot of what we did there? Was that a matter of any concern in PPC?

SKILES: It must not have been. I don't really remember the Liberian program - but I do recall being impressed with the Missions program submission - one of the best. My recollection is that the program was sort of traditional technical assistance, plus. There is a long history of assistance relationships, some of which precede Point 4 even. Rubber (this is a guess, but Firestone probably got ExIm assistance even before we came along), electricity, mineral development - by the mid-sixties iron ore production and exports were very significant. As I recall, the Mission Director in the mid-sixties was an old Point 4 hand, a former agricultural advisor, but I don't remember the country or the program being a lightning rod. Of course, it always was a mercurial country.

Q: In Senegal in subsequent periods, water resource development and development of the Senegal Basin has become a major concern. But what was our interest and concern at that time? Was it more modest agricultural development emphasis?

SKILES: Yes and as I recall, I think Senegal was one of those places that you might categorize as the U.S. wanting to have a presence, a recognizable association, but not as a major player. Senegal remained in the French community. There again, the period of time would dictate considerably what you would say about Senegal, but I believe the program was essentially technical assistance at that time. Eventually it got to be more extensive, particularly in humanitarian assistance - quite a lot of food aid, but this would have been primarily during and after the long drought dating from 1968.

Q: Vic, let's go back to a point we were making earlier, about several functions that don't fit neatly into any particular box, but are larger issues that you were dealing with in PPC, and alluded to at least in part, to the Administrator's review function.

SKILES: I was going to mention three or four jobs that I was assigned to that don't really fit into the day to day continuing tasks that we were doing in PPC, and perhaps for that reason stick in my memory more than more continuous, gradually evolving changes in policy and program that we were involved in.

The first of these was the Administrator's review of country programs. I mentioned that this was made valuable because of the particular competence of the man who at that point in time was the Administrator. The fact that I got tagged with the job of organizing those reviews on a worldwide basis helped make it significant to me. It was quite an enjoyable and I think a very helpful function at that time. The second is that I was assigned to a special task force on Vietnam in 1965. A group of five of us went out to do an evaluation, analysis and recommendations on mission organization and functions. By that time the mission amounted to a couple of thousand people, and much of what we were doing seemed occasionally to be going

in a number of different directions. The main point, I suppose, is that it was just too big a job for the new mission director to handle in the way the mission was set up or wasn't set up. The report was to be a product of Tex Thornton and a retired General who at that time was head of Pacific Power. In other words, a public body and public report, but it turned out to be pretty much the work of the group that went out from AID to do the staff work and basically write the report. Mid-1965 was a perilous time in Vietnam, but of course things got worse. We covered the country fairly thoroughly, visited each of the province offices, and got a pretty good feeling for what was going on.

Q: How long were you there?

SKILES: About six weeks. Parts of this, the implementation phase, were continued on afterwards, but primarily that was a responsibility shared by Mr. Bell and our team leader, who at that time was the Assistant Administrator for Management in the agency. Following up on the recommendations of the mission became quite an exercise.

Q: Those of the team?

SKILES: Yes. A third was a one-man little mission to Sierra Leone. I don't really recall the date, but it must have been fairly late in my tour of duty at the PPC. And it again was strictly a non-PPC type of function. I'd been sent out there, in a sense, to try to resolve a problem that had developed between the Ambassador and the Assistant Administrator of AID, the regional director, who was trying to carry out the phase-out injunction and the ambassador was having none of it. In the event, we were able to work out an arrangement to continue the completion of a couple of limited activities that had a fairly long history and seemed to be making a real impact in a couple of areas. This was to be done without the benefit of a formal mission structure, which was phased out. I suppose in a way, this was the easy way to do it. You invent some limited structures, even if it means zero in terms of specific support and backstopping, and at the same time manage to finish some of the project activities that seem to be making a difference, rather than simply following the calendar, which we folks in Washington are accustomed to doing.

The fourth and last was of an entirely different nature. And that was again part of a team, a four-man team in this case; the other three being from the State Department proper, to go to Idaho and make a series of presentations and lead a series of discussions on international affairs throughout the state. It was a good opportunity in a personal sort of way for me to get back to the old grass roots, and I must say that the reception was very, very good. I had an opportunity, not only in the meetings, but in personal encounters to test out a little bit the reaction to foreign aid programs. It's easy to summarize, in the sense that almost nobody was a supporter of foreign aid, but almost everybody was enthusiastic about supporting an agriculturalist who goes to a lesser developed area and shares the benefit of his education, training, and experience with the people who haven't had that kind of exposure. And also, enthusiastic support for people coming to the United States on participant training programs, as we called them, again to get an exposure to American people and American methods, educational systems and so on. By this time the

University had taken on the job of providing participant training for quite a number of participants from various parts of the world. Both it and a number of the local private institutions, such as the Chambers of Commerce and Rotary Clubs, had taken a hand in a few places in Latin America to develop cooperative programs and continue to work with them. Incidentally, the University now has a continuing interest in its foreign students - about 450 each year.

Well, I think that's enough for PPC.

Q: Let me just ask though, why Idaho -- except that you came from Idaho? Was this part of a series of visits by different teams to different places?

SKILES: Yes. On the Washington end it was arranged by the public affairs bureau in the Department of State, part of which was directed to a series of local public affairs groups with a penchant for or an interest in foreign relations, foreign activities. The Bureau had developed a program, the last previous one of which had been held in Chicago. Don't ask me what the relationship is between Chicago and Idaho, but I'm sure the answer to the "why Idaho" question is partly that Senator Frank Church of Idaho was a senior member of the Foreign Relations Committee, and he was one of the sponsors. In any event, this turned out to be a stalwart organizational arrangement in Idaho to line up and host meetings in various towns in the state, and at various educational institutions. They had laid on a program and how it came to be me I'm not entirely sure. I mean, I'm sure that Idaho is the connection, but I don't know by what route the assignment got to me.

Q: Well, such ventures are always interesting. So those were a series of activities, some of which took you entirely outside of your normal day-to-day framework. But did you fully describe for the ultimate listener/reader to this oral history what the particular experience, input, and value of those country reviews that Dave Bell conducted would have been as you saw them, and as you experienced them?

SKILES: Well, I can flash a few comments in that regard. The procedure basically was for PPC to prepare an issues paper which Mr. Bell used as an agenda paper - but of course he didn't always stay with it, and this was one of the pluses. He was flanked by us and the heads of the functional groups, and the main "witness" was the regional director with such staff as he chose. State was represented always, and often two or three other agencies, depending on the country and the likely subjects. Bell was a very astute individual in that he could grasp country situations, peruse objectives, and quickly make up his own mind as to whether the program looked like it were really addressed to those objectives. He also had in mind some of the more general instructions, such as greater coordination with the IBRD, the IMF, with other prospective donors, increasingly with UN organizations and the non-governmental organizations, and he wanted to know whether the programs reflected attention to those interests and that kind of guidance. A number of things like this. And he wasn't at all bashful about calling the regional directors to account. He made some on-the-spot decisions, so the meetings obviously served to bring up items that he normally would not be exposed to. From his standpoint I would think this

was one of the major benefits - it got him exposed to country programs to a much greater degree than normally was the case.

The other side of the coin - how many desk officers do you know who got to see the Administrator up close and in action, let alone participate in discussions? Unfortunate but true in a large federal agency, which AID was at that point - probably some three and a half to four thousand people in Washington - few people ever see the boss except when he comes to a big auditorium to make a speech. These reviews were conducted in a conference room setting - not really informal, but participatory, collegial. It is true we tried to keep attendance quite limited so the meetings could be real working sessions, but even so if you look at a number of countries eventually you touch quite a few people.

Q: Would you say that those country reviews might have had special value and utility, also in part because this was a period as I remember it, and maybe you could comment on this, of especially high morale in AID, and of great, almost reverence for Dave Bell among AID staff in Washington and overseas as a leader with real concern, interest, and competence, so that when he assembled a group of people together they felt they were part of the team with him and were out to support him?

SKILES: I think you put that very well. It's not only a personal support, but an organizational support that helps develop a feeling that you are a part of a movement, a team with a task. Bell did such an outstanding job with the meetings that it just had to evoke support and enthusiasm for him personally.

Q: I had a feeling -- I happen to have been in the field in the early days of AID, and the early days of Dave Bell's presence as Administrator of AID, and I came into Washington just in the period when we ceased to be ICA and became AID, and we had not only Dave Bell, but a new Assistant Administrator for the Near East and South Asia, and it just gave me a huge lift; not only had I had this communicated through public media, the Kennedy Administration, and through AID channels, but with respect to Dave Bell and everything that went on with that, I just felt that there was a completely new environment in which to work.

SKILES: Well, I think that's more significant coming from someone who was in the field at that time.

Q: Well, you were too in the early '60s, right? Did you have that feeling at all? You were in Kenya at that time, right?

SKILES: John, you are a magician at pulling some of these things out of me, but I think I was more concerned with the upsetting factors at that time, which was before Mr. Bell had come on board (he was not the first Administrator under the new Administration), than I was with the thrust of a new enthusiasm. Some of these changes, if done precipitously, just don't make too much sense to me - like changing Africa to a DLF approach and trying to run projects from Washington, like Operation Tycoon which was designed to make nearly all new senior

appointments in the field from a pool of people from outside the agency - change for the sake of change. Maybe it was a “make up” for Stassenation eight years earlier. In any event, despite some sterling appointments including the new NESAs man to whom you referred (Bill Gaud, who later became Deputy Administrator, then succeeded Bell in the top job), I don't think of that period as inciting much enthusiasm in the field. Perhaps that helped more than a little in the reception for David Bell when he did come in. He had been Director of the Bureau of the Budget, and earlier had been involved in some privately financed international economic activities - including a spell when he headed up an advisory group in Pakistan - so he knew the ropes and he really made a difference.

Q: Maybe I'm forgetting the early period when we had a different guy in the role of Administrator.

SKILES: That was my impression, yes. But I believe your comments really were addressed to the Bell period, and I share them.

Q: Well, then, in 1967, is that right, you wrapped up your period with PPC?

Assignment to Ceylon as AID Representative - 1967-

SKILES: Yes, and I went to Ceylon as the AID representative. One of the curiosities and so far as I know a completely accidental coincidence is that the Ambassador in Sierra Leone at the time of my field trip out there had been named Ambassador to Ceylon and for some reason he warmly welcomed the prospect of my going out there as the AID guy. In view of some of the less than complimentary things I've said of our State Department relationships, that was indeed a welcome sign and a welcome experience because good relationships obtained throughout the period that I was stationed in Ceylon. Compared with many, working with that Embassy was a joy.

I suppose the main thing to emphasize in the Ceylon program is that it was a good example of a country approach and a materials approach rather than a people approach to problems in the country. Policy and general economic assistance, not technical assistance. Some years earlier we had had quite an extensive technical assistance program there, but relations had been strained after the election of Mrs. Bandaranaike as Prime Minister. She made no pretense of being a friend of the United States, but proclaimed to be a neutralist and aspired to be a leader of the non-aligned countries. Among other factors, oil services were nationalized and (along with the announcement of a contract for the Soviet Union and the UAR to provide oil) the facilities of three Western (two U.S., one U.K.) oil companies were appropriated, without appropriate compensation. In 1962 the assistance program was terminated. A few years later Dudley Senanayake's pro-western party won the election, compensation was arranged, the U.S. agreed to resume an assistance program in consultation with a number of Western countries, and an IBRD Consultative Group was arranged. This was in 1966 and I went out in '67.

The main policy changes were in the direction of “freeing up” the economy, dismantling some of the government controls, increased reliance on the free market and carrying out a development

plan designed to increase exports. My primary contacts were Gamini Corea and David Loos. Gamini was the Permanent Secretary of the Ministry of Planning, the ministry portfolio being retained, along with foreign affairs, by the Prime Minister. The staff had a number of mostly younger people on the planning side for Ceylon, rationalizing resources and development plans and policies - and they were very good. David was in charge of planning and operations for foreign assistance programs. Our assistance program in the form of commodity supply was designed to support those policy changes. Initially the AID program was about \$35 million - a loan program - but PL480 programs of about the same size were quickly put in place, also primarily on a loan basis except for a little emergency relief and a continuing country-wide school and child feeding project run by CARE.

Q: This development planning operation was characteristically a central management of the economy, or was it a framework kind of planning?

SKILES: Both. This gets into what continues to be a touchy situation in many of these countries. Sure, we were encouraging them to do a better job of national planning, largely in terms of government activities, but at the same time our primary thrust was in the direction of bringing about conditions which would permit private enterprise to thrive, so they were doing both. We must keep in mind that this already was a centralized economy. The policies essentially were both in terms of carrying out government functions and in facilitating the activities of private enterprise.

Q: Private enterprise in all fields, or more in some than in others?

SKILES: More in some than in others. Exports were mixed, but the biggest ones (tea, rubber, coconut) were pretty much cartel arrangements. But starting from government policy from the top in things like ration controls on many items of distribution, and tight import controls on purpose for which foreign exchange was spent -- you couldn't bring anything into the country without a license. Licenses were handled not expeditiously by government machinery. The simplest way to make it more efficient is to get rid of the government machinery, or get rid of the import control program, but you couldn't do this all at once, and there was pretty good agreement on a step-by-step process.

Q: But they were moving in that general direction?

SKILES: They were moving in that direction, starting with things that didn't sound very dramatic. For example, controls were lifted on a series of small items that don't sound very important to an outsider, but when you consider the Ceylonese diet, they were quite significant. A substantial chunk of foreign exchange, for example, was used on the importation of consumption items like onions, potatoes and chilies, things that were large elements in the national diet and which were cheaper to buy in nearby India than they were locally. But of course the imports depressed prices to local producers and production went down. The imports had all been government imports, and when the government quit importing them, there was an immediate impact on

increased production of these things in Ceylon-- a fourfold increase of potato production in the first year, for example.

Q: Was this the result of significant and relevant policy changes?

SKILES: I'd like to think so. Many of these in the direction of doing less rather than doing more. For example, in that case government got out of the business of controlling supply and partially out of the business of assuring distribution: the ration program. Now this can have some very unbeneficial immediate results, such as the removal of the assurance of supply, when you dismantle a ration system item by item, including likely price increases. But it also has the advantage of making the goods, so far as they are available, available to anyone with the wherewithal to buy them. This is always one of the disadvantages of going through a devaluation process. Sometimes you make it almost impossible for some people to buy the goods because prices tend to rise. One of the binds that this puts the government into is that preferred customers try to substitute for prior supply and price controls by such things as wage increases in some sectors. If labor costs rise in a hurry, then you swiftly affect the benefits of the devaluation, so this is again, not something that you can do overnight and forget about. It has continuing influences and has to be watched.

Q: Were we significantly involved in promoting any kinds of development action locally, or was it mostly a policy and balance of payments support?

SKILES: Policy and balance of payments support. Conversationally we could encourage as well as discourage, but in general we didn't carve out special areas or projects. Exceptions, sure. In the balance of payments support, we tried to do a number of things. For example, the dearth of foreign exchange over the preceding three or four years had led to an extreme shortage of maintenance and operational supplies for such factories as did exist and for the private economy in general. They were grinding down. So we tried to make sure that the import program financed a substantial portion of that kind of commodity, that we had a big element of maintenance items and operational supplies in the program. The licensing system, which continued for many items, helped channel those imports to preferred uses. In other words, the reduction of licensing was item by item and certainly not across the board all at once. We tried to see that the imports were available to private industries, rather than being channeled into and absorbed by government operations and government monopolies. One example of an interesting little conflict was that Loos, while supporting these policies, was on the other hand encouraging the World Food Program to do a project in chicken production by, among other things, giving a private entrepreneur a monopoly on the import of poultry feed; that is, they would give him and only him a license. This was great for WFP because it gave a substantial guarantee that the project would work successfully, but it certainly was anti-free market because it was giving one entrepreneur exclusive import rights. This was interesting to me partly because our earlier TC program had a substantial influence on getting a poultry industry going.

Q: Was the poultry program then something of an exception in terms of having a direct interest in particular sectors?

SKILES: No, we didn't really take a direct interest in that sector. I did have a personal interest in that as I looked around for evidences of what was left behind from the Point 4 program this was one area where the results were obvious, partly because of the breeding programs and because of a feeding program. As you know in most of those areas chickens are just left to fend for themselves. Compared with India, Pakistan or Afghanistan, the chickens were very impressive: I mentioned the case as an example of a contradiction of policy - encouragement to private enterprise and free enterprise as against controlled imports exclusively to one entrepreneur, and therefore a monopoly. To me there was another interesting conflict, and that was the official policy of the U.S. - as enunciated by me - and the approach of the local representative of WFP (also an American) which was quite different. But that is not really a Ceylon subject. It may come up later when we come to the UN functions.

Q: We were not involved with support for irrigation programs, dam building, or water management, or any of those kinds of things.

SKILES: Well, this brings you to a different side of the coin. We were supporting the development budget / programs so some of the imports would go in those directions, and perhaps more significantly, most of the local currency that arose because of the import program. Irrigation development, limited support for the dams, transportation, and there were some other things we might have tried to reflect an interest in by agreeing to this kind of a use of funds, but actually that was dealt with on an overall basis rather than projects or sectors, so it really was non-project support. IBRD was involved in the major power / irrigation project. Someone else was helping with a flour mill, which was a matter of some interest to us in terms of the import program, because at that stage we had to bring in flour, and it's much cheaper from a foreign exchange viewpoint to bring in wheat and have it converted into flour if you have the local resources to do the conversion job. In this particular case the flour mill, with the assistance of some other external providers of foreign assistance, was well along. Actually, by the second year I was there we were able to start bringing in some wheat. They couldn't handle it all in the form of wheat at that stage, but I suspect that not long after I left they could use all wheat. I also suspect that I didn't make it sufficiently clear that the U.S. financed import program consisted basically of two parts. One was the AID financed commodity import program, which followed our normal modus operandi, and the other was a PL480 Title I program, which provided a part of the food imports for the normal feeding of the population.

Q: In that connection, let me ask a question that I'm not sure I'm on the right track on. Is it not true that Ceylon was traditionally a rice consuming country?

SKILES: Yes, that's true, and probably still is that they consumed a good deal more rice than wheat, and they grow a lot of rice. But wheat flour was important, too, and local production limited.

Q: Did you have any feeling that the PL480 wheat program was in a sense distorting the country's normal pattern of consumption, and the economy with it?

SKILES: I don't remember the particulars too well, but the answer is a qualified no. Qualified in the sense that there was more of a limit to the resources for improved rice production than there was for improved wheat production. And the example that jumps to mind -- I hope it's an accurate one -- is that they were doing, on the far side of the island, what to a small country was a major undertaking in dam building and irrigation called the Mahawali Ganji, in an area where it really wouldn't have been all that efficient to try too much rice production, but the amount of water which would be under control was plenty for raising wheat. This sort of a conflict was always present.

Q: Climate wise well suited to wheat?

SKILES: I think so, during major parts of the year. Wheat doesn't require a 12-month favorable climate. In that particular part of the country, which is the southern tip, and the eastern side, you literally have droughts in the summertime. Things dry up. There was a game park on the tip of the country where the animals have difficulty getting through the year because of the dryness. This is a little hard to picture in a country we think of as having an abundant rainfall and an almost tropical kind of climate.

Q: But that's why irrigation was so essential, right?

SKILES: Yes.

Q: And, if I'm not mistaken, this project that you mentioned, Mahawali, was it, continued to enjoy great deal of U.S. support, and became the subject of a lot of intensive study of the social interactions between irrigation and people doing the irrigation and farming, but I guess we weren't that deeply involved at that time.

SKILES: Right. During the period I was there it would not have been possible to do much evaluation because the project was not all that far along, but they certainly were concerned about the settlement issue and it did involve a lot of resettlement. As I remember in AID terms we weren't all that involved in the project. I don't think we had any financial input, but that would except the local currency. The IBRD had a substantial leg up on the project, and I think that any foreign exchange contracts, for instance, would have been handled by the IBRD.

Q: So was this a really interesting time in your career? Or perhaps not the most exciting? How did you feel about it.

SKILES: Well, I said earlier that I thought the experience in East Africa was probably the best in terms of the kind of job that I'd had. In terms of interest and fascination with what we were working on, I guess I would rate Ceylon a close second, but Israel and the FAO/WFP (Rome) are right up there, too. In Ceylon part of the attraction, strangely enough, is that I had only a small staff which meant that I could devote almost all my time to substance and not people problems.

Q: Your relationships with the local people, both official and social, were pleasant?

SKILES: Outstanding. The Ceylonese are a different kind of people. They are much more effervescent, much more friendly than most of the situations you work in. Is it because or despite the fact that most are Buddhist? I don't like to say that it's partly because there's a substantive overlay of well educated people, but that has something to do with it. To some extent, it's a tribal situation and you have far less exposure to the Tamils than to the Senhala. Having said that, many of the Permanent Secretaries were Tamil and we had a lot of contact with them. Many of the better educated people were Tamil. Yet their general contribution to the population is as a minority group, probably about one to ten, and largely descendants of those who came down from southern India to be laborers in the fields, primarily on the tea plantations. More recently they seem to be mostly revolutionaries, so there's a certain lack of consistency here, but by and large the social contacts as well as the working contacts were extraordinarily good. The ambassador was a friend of a great many people, including Arthur Clark, who wrote some challenging and imaginative books. When he would come to Ceylon, which he did occasionally, this would be an excuse for a fairly large gathering sponsored by the ambassador, and then some discussion periods delving into his theories of the universe. In one case it was a world premier for a movie that had been made out of one of his books. Congressman Tom Foley, later Speaker of the House, came out to get married; the bride was the daughter of the U.S. representative to the Colombo Plan. One of the economic / planners and his wife had us to dinner with a lovely lady friend of theirs who is now the Prime Minister. Actually the population is quite diverse - lots of evidence of earlier Dutch and Portuguese settlers, and of course the British. The Central spine of the country -- only a few hours from Colombo by car, is picturesque, several thousand feet high - tea country and very pleasant. There is a reputable university at Kandy.

Q: So, summarizing that experience, you seem to be quite happy with it, both as an official responsibility and as a period when you were engaged in pleasant and interesting times. You came to the end of that stint when?

SKILES: Let me first reiterate that the answer is yes, and it was largely because of the quality of the people we were working with, as I mentioned before, both in the embassy and in the ministries, and out in the hinterland. Gamini Corea was an outstanding individual. I mentioned him earlier as one of my main contacts. A lot of our contact work was done early in the morning on the golf course, following the British tradition that you didn't talk business during golf, but it was quite alright during and after coffee. Occasionally the Prime Minister, with whom Gamini was closely associated, would join us for a fast nine holes, and I made a very fast rule not to discuss outside anything that he might bring up during those sessions. It just wasn't cricket. He was out of office again after I left the country, and I fear the country suffered - but apparently that's what the people wanted - or voted for. Apparently those reforms were not all popular! Mrs. B. came back in 1970 and a couple of years later the country became the Democratic Socialist Republic of Sri Lanka - an ancient name. She lasted until 1977 I think it was, so I assume that most of our work was down the drain. Corea became the top man of UNCTAD. David Loos came to Washington with the IBRD. I read some scholarly pieces done

by those more junior economists, but I don't know whether any of them stayed in the Ministry and continued to function or not. Likely not. This is one of the disadvantages of the conviction that you should not look back over successors' shoulders. You really don't know enough of what happened afterwards to be able to comment meaningfully on the end results.

There had been a number of discussions about moving me elsewhere, and I thought the most interesting elsewhere at that point was Kabul, to become Deputy Director of one of our biggest AID missions, in terms of personnel. Part of that reaction was defensive, because there had been talk, if not pressure, of moving me over to Dacca, and I didn't think Dacca was one of the places I wanted to go, even though it was a more senior job. To me, Kabul was a much better alternative. Timing was not exceptionally good in my case, because the deputy was leaving to go to one of those advanced school programs, the mission director was already due for home leave, and they wanted me to get in there and get my feet wet so he could do so. I went there in June, 1969.

Assignment to Afghanistan, 1969-

Q: So what was the state of the situation in Afghanistan as you arrived there? How would you generally characterize it? What when you went in there struck you as its main features; the outstanding issues or problems; the things that struck you about the country that were most dramatically different from anything else you might have encountered?

SKILES: In general, I guess you could say it's different from everywhere else. It's a country with a singular location and a singular personality. It had repulsed a number of movements in years past, movements designed by outside forces to, in effect, take over the country. In the case of the British, it probably would have been more along the lines of a presence which would enable them to call the shots without being a conquest. Nonetheless that effort had been repulsed by force of arms. It was traditional of those people to accept working relationships and assistance from outside, but in no way to be taken over by outside countries or agencies. It is a tribal country, and while officially a

constitutional monarchy, the King was really more of a major chief - the top chief amongst many of them. It was really an undeveloped country in most respects. Both the U.S. and the Soviet Union had been involved in economic aid, the Soviets working mainly but not exclusively in the North and the U.S. in the South. Our technical assistance program was extensive - about 250 people including the contracts.

Q: Did you have the impression that it was in a transition process?

SKILES: No. A stronger impression was that they were way, way back, and were going to stay there. If you go to a place like Gazni, for example - probably 30 or so miles from Kabul - you are back in the 15th century, and it's going to take a long time to get to the 19th, let alone the 20th. In terms of what they had to work with, yes, they were very interested in concentrating for a few years much more heavily on education than they had in years past. You could see the

influence, for example, of AID's activities, fairly intensive and over a fair amount of both time and territory, but still the basic conditions in the country, I think, are way behind what we face in most areas.

Q: I believe Afghanistan was, throughout the period that the U.S. was involved, one of the least developed countries among the LDCs, right?

SKILES: Yes, I think I've implied that without having said so. Such generalizations are dangerous, of course - but come to think of it, the UN's official list of Least Developed included Afghanistan. Much of the Arabian peninsula, for example, is still in the same shape, and for somewhat the same reasons; quite a bit of Iran and Iraq, but not the whole country. There are some other peculiarities in Afghanistan, which are not confined to Afghanistan, they are certainly rampant throughout Africa, basically. This refers to the tribes, the tribal organizations, or lack thereof. From time to time peaceful conditions exist amongst them, and they adhere to the leading chief and at other times a much more popular concept is to get rid of him, the best way being to take him out and shoot him. The tribal issues, it seems to me, touched everything you did, and eventually were paramount in, can I say, the country falling apart, and still pretty much in that situation.

Q: How would you characterize our role in relation to the Soviets in the cold war environment?

SKILES: Well, it's difficult to put this in terms of proportions, but I think we'd always regarded Afghanistan as a pivotal but still a border or marginal area in this regard. Having said that, it's not all that pivotal unless you take into account the effects on Iran and of Iran; the effects on Pakistan and of Pakistan. I mean, it's part of a belt. There also is a peculiar arrangement, particularly in the northern part of the country, where the tribes are essentially the same people as those who live on the other side of the river, meaning in that part of the Soviet Union. So there's a natural attraction for them there. There also was a natural ambition for the Soviets to take this as an easy apple that they could pull into their orbit and the U.S. could not prevent this from happening. Maybe Afghanistan could - but the U.S. couldn't. This had always been, it seems to me, an element of U.S. policy toward the area. I remember a much earlier period when some factions in the U.S. government had wanted us to get started on a military assistance program out there, but Ambassador Byroade took an entirely different point of view, and one which I think turned out to be the right one, at least over a period of a couple of decades, and that is that his attitude was "no way, this is the worst thing we can do in this situation. Our real role ought to be to steer the Afghans in such a way that the Soviets will not move in, at least not by forces other than persuasion and economic help." And I think that attitude prevailed during the time that you and I were out there.

Q: Did you find this to be especially challenging, in terms of getting on top of the myriad activities you were going to have to manage and supervise?

SKILES: Yes, in a way it was an impossible kind of task. You know, one of my long-standing convictions with regard to new mission leadership came in mighty handy. So often you see

situations where the new man feels he has to change everything - how else does he make his mark? I've always thought this was wrong, that in the absence of real reason for change, AID ought to have a continuity, ought to be a continuum. My reaction in Kabul was that in most part there were good reasons for us to be where we were. I could see room for a lot of improvement, but not the need for wholesale changes. Of course, had I been given different guidance from Washington, it would have been different, but I wasn't. We were really pretty much spread out over everything, but the mission setup in these terms was very, very good. You had some good division chiefs, all of whom had been there for some time, as I recall. You had some very able chiefs of party, heading up a number of significant, both in terms of size and function, contract groups. Four of these were involved in developing the University of Kabul, and I think if I'd concentrated on that subject during the entire time I was there I still never would have thoroughly understood what was going on -- whether what we were doing was likely to be more good than it was debatable in terms of targets of certain elements who resisted change. And to digress for a moment, one of the elements, of course, in a country like that, and specifically in that one as well as in Iran, is that women don't have much of a place in society. They certainly don't normally have a claim to a higher education. Yet one of the functions of the university was, in a sense, to create a new class of women in Afghanistan. And it seemed to be working. There were many more of them coming out of the choudri, many more faces to be seen on the streets. And yet this is an ideal target for the reactionary elements in a number of the tribes, if they were going to be against the super chief who resides in Kabul and presumably presides over the fate of the country. (I call it reactionary and that probably is not a good word because it's based in their understanding of religion. That's what makes it so powerful.)

Q: The struggle was then, and the struggle continues today.

SKILES: Hopefully, although I suspect it's better put that the struggle will start again when conditions are peaceful enough to permit it.

Q: The U.N. has been working there, and recently I have heard they've been through a struggle on just that front.

SKILES: I wouldn't be surprised.

Q: Speaking of the university, what sense did you have of the possibilities for success in pulling the university together. You will recall, I'm sure, that the Indiana team had been there for a while, and their task was to try to make the university an integrated institution. Did you give it much hope?

SKILES: Sure. Again, this is one of those things that even if you achieve in policy, it's really going to take a long time to get it done. Indiana was still there; it was down to a two-man team sort of thing. But the team leader thought they were being influential in the direction of creating a university as compared with a number of individual schools or colleges, and I think over time it would work out that way. But even we were guilty of sponsoring competing forces. Our work on the agricultural side, I would guess, tended to keep the university in separate pieces-- I was

going to say as much as our work in education tried to put them together, but I'm not sure that these weren't two competing fields. I'm speaking here of education in terms of the Columbia group, rather than the Indiana group.

Q: Yes, we had the Teachers College of Columbia University working in the Faculty of Education, we had the USEP team in Engineering; we had the Wyoming team in agriculture. So these tended, as you say, to be somewhat separate fiefdoms, didn't they?

SKILES: Yes, I think that's inevitable, and for that reason I thought that the Indiana approach was a very useful one. In other words, the right way to go about the business of trying to make a university of it. Incidentally, one of the accidents of history, AID style, is that Dr. Fields, who had been the head of the Teachers East Africa project that I talked about earlier, showed up in Kabul to head up the Columbia contract team there.

Q: Did you think that we were holding our own in relation to the overall Russian thrust into the country where our effort was to expand the contacts with the West and increase the orientation of people toward western ideas, while the Russians were seeking to communize the country, as one might say?

SKILES: Well, this was a very mixed bag. I suppose, as with all Americans with an optimistic outlook operating in that kind of a milieu, sure, it seemed to me that we were making headway. But I confess that I didn't have that feeling with respect to our operations in the north or even in the east. What we had up there was mostly agricultural activities. We had representatives in Kunduz and Mozar Sharif and (closer to Kabul) Jalalabad. And I never had the feeling that we were, if you can put it in these terms, winning more than we were losing in those areas. It's a strange thing, but also rather normal. They were closer to the Soviet Union, they were getting more attention from the Soviets than they were from us. If on the other hand you were to go to a place like the Helmand Valley, the Soviets were not all that involved, and Americans were, then you get the impression that this might be working.

Q: At the same time the Soviets had their own project in the Jalalabad plain, rather similar to our involvement in Helmand, right? There's always a counterpart Soviet activity, isn't there?

SKILES: Yes, even in the Helmand area or right next door. In Kandahar, for example, they were very active. They were, I'm sure, very open eyed about the tank track that we had built between Kandahar and, what's the name of the town near the Iranian border?

Q: I can't remember, but you're talking about the Herat link to the Iranian border?

SKILES: We had financed the building of the road between Kandahar and Herat, as I recall.

Q: That was a Russian road. The Russian roads go from Kabul to the border on the north, over the Hindu Kush, and from Kandahar to Herat to the Russian border, both links to the north. And we built the links to Pakistan, from Kandahar over to Pakistan, from Kabul to Pakistan, and from

Herat to Iran. And there's the story. Isn't that the essence of the story. In terms of the linkage to the outside world, we were linking to western oriented countries, and they were linking Afghanistan to the Soviet Union. And if anything typifies the struggle, those roads dramatize the nature of what was going on in geopolitical terms. Did you find it exciting to be in that environment?

SKILES: Yes, but let me add a further note on that thesis, which I think is great, and I stand corrected. That is, we built the airport in Kandahar.

Q: And they built the airport in Kabul.

SKILES: Yes, and looking a little down the pike, the Kandahar landing field was a very big one. It could have been designed as a military airport to begin with. That wasn't true in Kabul.

Q: Well, the geographic setting in Kabul didn't lend itself very well to one.

SKILES: It certainly did not. Mountains all around. Even the passenger planes had to wait until later in the day when conditions were favorable to gaining altitude in a hurry. What I was going to refer to, is, in effect, the lack of harmony in the general thesis. Here we had financed the building of an airport, and if you look at it objectively, its primary eventual use would be as a military base. In case the Russians did move in, that's what they would want.

Q: Isn't it interesting.

SKILES: That why I started referring to the tank track to Herat.

Q: It certainly was -- it was an 8-inch thick concrete road, perfect for moving tanks. And, as you say, one of the contradictions was that in the early to mid 1950s, we undertook to and built the Kandahar airport, and as you say, nothing could have been more strategic to a Russian seizure of the country than that airport as a base for operations against Iran and the Persian Gulf.

SKILES: Right. But we shouldn't leave this without bringing in the rationale, the justification for the airport. It was built as a contact, again to the outside world, and basically to serve as a contact point for Tehran-Beirut in one direction, and Delhi in the other direction, as an international airport big enough to take those international airline planes. By the time it was completed, if I get the story right, Kandahar as a potential stopping point between those extremes pretty much became irrelevant.

Q: By that time you had even DC-7s. It was conceived in the time when most international air transport was by DC-6, with limited range, but by the time you brought the DC-7s in, you didn't need a stopping point. So, it handled DC-3s quite well, didn't it? Or the Russian equivalent.

Q: Well, let's talk a little bit about Helmand, which was really a river valley development - power dam, irrigation, the lot. Such an overwhelmingly big activity in Afghanistan, something

in AID terms legendary perhaps, even far beyond Afghanistan. And yet fraught with many controversies.

SKILES: I suppose even in our own minds we always went from peak to valley on the Helmand development. We paid it a lot of attention, and yet, in my limited experience in it, I was never quite convinced that the government had made up its mind to do what we thought we were doing, and that was leading to a resettlement of rather nomadic people, on an area where they would cease to be nomadic, and where they could become productive on a more settled basis. I don't know whether anybody accepted the story that Afghan planners ever really adopted that approach or not. If they did, it didn't work all that well.

Q: No, and partly because, in my recollection, the Afghans took explicit steps that made it almost a sure thing that local people would not perceive it that way, and it also perhaps a subject of considerable controversy as to whether it made an adequate contribution to the national economy, to justify the investment. What do you think?

SKILES: It depends on how you measure such things. As it worked out, you would never get back the cost of the investment. Now, if circumstances had been different as you went along, and particularly if the disruptions had not been so effective when they did come, you might have had quite a different story. Well, let me answer it both ways. Yes, I think given the conditions, which unfortunately did not develop over time, it could have been a viable kind of investment. You didn't have those conditions, so it didn't become a viable kind of investment. Resettlement was a touchy political issue. If the people thought it was forced settlement of a basically nomadic people then they're against it. Settlement by choice of non-nomadic people is something else again.

Q: In talking with another colleague, who had had direct experience in Helmand, though based in Kabul, as we were, he had a rather more optimistic view, and still another fellow who had been a former assistant director in charge of the Helmand valley, had an extremely high opinion of the achievements in the Helmand valley. And I think it will continue to be a subject of great controversy. It was certainly fraught with many, many difficulties, some of which were inherent in the politics of Afghanistan, is that not right?

SKILES: That's right. It also gets you back to another question, which is inherent in your question. And that's how to measure these things. I'd mentioned to you earlier that we sponsored a project in Lebanon called the Litany River Valley Development, somewhat along the same lines, but certainly without the potential for economic contributions that might have existed in the Helmand. The temptation was to measure benefits in terms of what it did for the people, aside or in addition to, any improvements in crops and this sort of thing. And that certainly would have had to take place in the Helmand. This was, after all, a pretty primitive area - no water control, nor irrigation, no electricity. Had it worked as it was planned to, then a fairly large number of people would have had their lives changed, their standard of living improved considerably, their ownership of land changed completely; their style of life, and this was one

of the problems with it -- the Kouchi don't want to be settled. If that's who you have in mind to occupy the territory that's made available by constructing a dam, it's going to have problems.

Q: The project, by the time you got there, had already been actively and continuously in operation for nearly 25 years, although it had some earlier roots than that. But the U.S. had been involved in it from 1951 on, directly, and I guess it was a matter of some concern when you, in the early days of TCA, had some contact with that program. That's the point at which it was decided that we should not go in there with military assistance.

We were involved in a wide range of things we haven't mentioned, although we've mentioned quite a few. What was for you the key feature of the program in Afghanistan that most fascinated you, or most interested you?

SKILES: Well, John, I really can't answer that question. I don't think of concentrating, in fact would have avoided concentrating on any one field to the exclusion of the others, and yet by the nature of things, I guess I would have involved myself more constantly in the Helmand and in our agricultural and engineering pursuits in general, than in the other fields.

Q: What did you think of as the most strategic component, or the few most strategic components on which we had to judge our success in terms of both development and cold war aspects of our program?

SKILES: These are not necessarily the same, because the fields would be education and agriculture, but the results would be almost diametrically opposed to progress on the second part of the question. The more successful we were, particularly in education, the more contentious would become the relationships, with respect to the Soviets.

Q: Yes, I think I'd have to agree, even though that's a sort of contradictory statement. But the Soviets became more concerned as the country took on a more westernized flavor.

SKILES: Yes, and I suspect this would apply to agriculture as well, but not as dramatically, and not nearly as easy to think of elements of proof. We were in a sense in competition in Jilalabad, but we in a very small way, and they in a big way. Our program was an effort to make things better for the regular farmers; theirs more in the construction of state farms or industries such as orchards.

Q: Yes. Could you talk a bit about your feeling about the efforts to try to make Afghanistan, not necessarily fully self-sufficient, but at least self-supporting in terms of its food, notably its wheat production.?

SKILES: It's a long-term proposition. They simply have to learn what they can as time goes on, and be willing to devote resources to those purposes.

Q: Do you think that we were making significant progress in the technical and policy and strategy thrusts that we were making in that area?

SKILES: It comes and goes. I thought, for example, in agriculture, that we were going in the right direction -- these were the things to do. At the top levels in the Ministry there seemed to be fairly full agreement (I think of the squabbles over fertilizer use as one of the friction points, but I believe this was primarily the result of jockeying for position among the Afghans rather than disagreement with the principle of expanded use of fertilizer.) You know in many ways Afghanistan has many attributes or conditions which make agricultural development very promising, if it's ever modernized. The weather is good, some of the natural native crops are outstanding such as grapes and the best potatoes in the world outside of Idaho. Soil is terribly run down, largely a result of always taking from it and putting nothing back into it - and someday the overgrazing must be stopped - but that probably is not for us to do. There isn't any forest left to speak of, but it doesn't mean that that's not a problem. The basic challenge is simply to modernize, but that probably would bring with it a lot of social change, a different way of life for a lot of people, and who are we to say that's what they ought to have? To answer your question, I would say the establishment / improvement of an extension system buttressed by some applied or adapted research activities as a means of carrying out improved policies such as increased use of better seeds and other agricultural inputs.

Q: These things meaning which things in agriculture. What did you see as the main thrusts that were likely to succeed?

SKILES: Mobilized extension activities, built on some research activities, as a means of carrying out improved policies such as increased use of better seeds and other agricultural inputs.

Agricultural education, wherever it was required, and even though I really wouldn't include this in the definition, some larger scale activities, certainly including the Helmand, starting out as demonstrations. But what I was going to say was that while thinking that this was the right direction to go, I was impressed with a sense of disappointment whenever I would go to Kunduz or Mazar-l-Sharif, for example, to get a feel for what the local representative was actually doing, and what effect it was likely to be having. There was an experiment station near Mazar-l-Sharif, for example, that was doing yield tests on different varieties of wheat seed. I went out during the harvest season, and as often was the case I did this unannounced. In other words, I didn't want them to make special preparations, but to see things as they were. The project manager wasn't there, but the birds were. He was running tests on different seeds, to see what the production results were of using one variety as against another. He had well laid out plots, and apparently had supervised in a good way, the growth and production and maybe even the harvesting, or part of the harvesting, of the crops from those test units, so you could put the figures in a book, and see how the different seeds had done and use the results for recommendations to the farmers on the selected varieties to be sown. When I went there, parts of the crop were being devoured by huge flocks of birds, and if they happened to get into a pile of wheat from one wheat type and didn't get into the competing type, then I'm afraid your research and demonstration isn't worth much from a comparative point of view. Or, in the

middle of the country to give a ride to a hitch hiker who turned out to be an extension agent with no means to extend. There were example after example of this sort of thing, where the approach was being bought enthusiastically in principle and at the top mental level, but things would get in the way of its being carried out satisfactorily, and that was very disappointing.

I have to think substantial improvements were made at the village level, and the developing university was impressive, but as you know it was running smack into deep-seated social problems, and while it was immensely popular in some circles, it probably was a distinct target in others - the anti-progress or anti-modernization factors, for instance.

Q: All right, Vic, we are here now on the 26th of January 1996, presumably this should wrap up our recording sessions and, if I recall correctly, you have some comments further that you would like to make regarding Afghanistan.

SKILES: Just a sort of a summation, John, and to recognize that that was a major AID program somewhat in the old style. It's rather shocking to recall that it was almost twenty years from the early TCA days until I went to Kabul and that probably was one of the few remaining places we were still doing business in an exaggerated old style. Exaggerated in the sense that, while it was basically a technical assistance program, it had also gone much beyond the demonstration project kind of an idea. We were helping to construct and operate a major university in Kabul which, among other things, had female students. It was handled by contract arrangements with four different university complexes from the United States. We were working, as I was leaving, toward a rearrangement of functions so that we would have only one contractor working on the totality of the university but that hadn't yet come to pass. Another example was the Helmand Valley, an area development program which involved, among other things, some major construction works including a dam, irrigated areas, electricity and ideas at least for a major resettlement of people. As you know, that didn't work out quite as well as one might have expected. We'd also financed construction of a major airport in southern Afghanistan, never fully utilized.

The country itself, bordering on the Soviet Union, historically had been a rather contentious area -- a border country. Numerous efforts had been made by outside forces to move in on it but these always were either repelled or absorbed -- absorbed in the sense of Alexander the Great and Ghengis Khan, I suppose. Repelled -- the most modern example is the British, who while having a major influence in the area, never were able, really, to take it over and certainly the Afghans never felt subjugated by them. In U.S. eyes, it was on that fringe which we hoped would stay outside of the Soviet area of influence but it had never been brought into any of the security arrangements such as its neighbors had -- Pakistan on one side and Iran on the other. Pakistan, a member of both the northern tier group, the Baghdad Pact, and the Asian group. Iran, a member of the Baghdad Pact. Consideration had been given way back in 1950s to extending other kinds of assistance including military assistance, at least in terms of training missions, but this had been pretty well ruled out as too blatant a challenge on the Soviet border - and indefensible.

We did do, as I recall, over time a little bit of training -- not in-country, but some of the officers did have advanced training in the United States. This was the situation which obtained through the period I was there. It wasn't long after that, that the internal situation became such that it was possible for the Soviets to move into the country and the country, I suppose, to exhibit its historic patterns. I say "country" but I often think that it is not really a country, it's a conglomeration of tribes and the king was the major tribal leader but he was not an overall monarch in the sense that you normally think of that term. When he was deposed, normally another major leader would take his place. This fracas in the mid-70's was somewhat different. They deposed the king in the early stages but the government was taken over by a different combination of forces than was normally there to represent the various tribes. It was a minority faction supported and joined by the Soviets. It's a shame that Afghanistan has to suffer what took place. In another major way, I suppose it was a contribution to the U.S. view of world affairs in that it, probably as much as any other single factor, led to the dissolution of the Soviet Empire. It was their Vietnam, in a sense, and they never did get over it. Afghanistan will get over it but that, from the looks of things, may take a long, long time. As I say, it's a shame that that country has to continue to bear the burden which results primarily from an inability of the various tribal factors to get together.

Before moving on to the next assignment, John, I would like to introduce an organizational note for a moment. The connection here is, that during my last year in Kabul, AID was going through another reorganization and I am not sure I can remember what this one was called. I suppose it might have been "New Dimensions in Foreign Assistance." We went through these exercises every once in a while if you recall, and not all of them were entirely popular with some of us. I'm tempted to say with field staffs in particular. This one was looking toward a reduction of field staffs, a reduction of the role of the field staffs, a switch in emphasis to project orientation run much more out of Washington. Project monitorship responsibilities in the field mission rather than project management. It was looking toward a substantial reduction of direct hire personnel, far greater reliance on contract personnel both from the NGO's and private institutions including the universities. And it seemed to me, in some respects, not a getting out of business but a reduction in the vision of what AID missions were up to and supposed to do. 1972 became a banner year in terms of reduction of direct hire personnel. I don't recall the numbers but I do remember that it was the biggest year in that respect that the agency had ever enjoyed. Quite by accident, I spent more time in Washington than I had anticipated when I left Kabul and among other things, while I was there I spent a little time on an ad hoc task force on "USAID Role and Style in a Reorganized AID." The purpose of that task force was to charter the implementation of the revised AID, not to question it but to assist in the implementation of the revision. As you know, these exercises never finish, or, if they do, by the time one is over, we're almost ready to start with another. I recall another major similar exercise in 1977 which would make it four or five years later and at that time we were asked to comment once again on proposals for a major effort to redefine the AID role, shape an organization to fit the role, simplify procedures in such a way as to facilitate operations and to quote one of my favorite phrases from it, "reverse a trend of less delivery at greater cost in terms of program impact in the developing country."

Work with international organizations and assignment to Rome as representative to international food and agriculture programs - 1972

Before I left Kabul I thought I was going fairly quickly to Rome as the AID representative to the World Food Program and the FAO, but that turned out to take more time than I had anticipated. International organizations had always had a bit of a mystique for most of us. To the extent that we were internationalists, they were more than a little bit interesting but they'd never been a very big part of our operation or our consideration. They'd been somewhere out on the fringe. In the early '60s, we had a small cell in PPC which had come over from the State Department, concerned primarily, as I recall, with the Columbo Plan and the UNCTAD, the trade and development organization of the UN. By 1972, a lot of changes had been made program-wise and in terms of organization. There was a fairly large group in PPC working on international organizations. Several people on the UN proper and what were known as the specialized agencies -- one separate unit on contact with the IMF and IBRD (which there had been for some time), and limited numbers with the other functions with other UN agencies. Part of the process, as you recall, and this refers to the organization comments earlier, had been a growing recognition of AID in a role of responsibility for coordinating U.S. development assistance abroad (without necessarily relieving other agencies of their interests or corollary roles as we will see later); and at the same time the desire on the part of AID and the adoption of policies to rely more on the international agencies both to shape and to carry out assistance programs. Now, most of us -- certainly myself included -- had an interpretation far too narrow, having in mind primarily the reliance on the International Bank for Reconstruction and Development and the IMF to set policies with respect to given areas -- given countries -- and to help the country provide the framework for programs within which the rest of us would work. This, of course, was not new, we'd been doing it for some time in the countries where IBRD had taken an interest and had sent out survey teams. They were able to pick our brains as well as everybody else's and came up with some very reputable country development programs. Where this was the case it was advantageous for us to fit into it. And to a lot of people, this meant that we were no longer so involved in overall development concepts and problems as much as we were involved in picking out parts of that process which we tend to define as the projects.

Q: *Or sectors?*

SKILES: Or sector programs, yes. But to others it meant more than that. It meant the other UN agencies also increasing their roles in the development business, hence in PPC an increase in their role of working with the United Nations agencies. This also relates, of course, to the revised style and role of USAID's reorganization work which was going on at that time and was part of the complex that I walked into and that explains, to some extent, why it took so long for me to get to Rome. Let me hasten to say, though, that the main reasons for the delay were frictions and disagreements that had built up between the groups and the people involved. When I went through Washington on the way to Idaho to indulge in that favorite pastime that we call home leave, I was advised that the job was all set up, that I was the chosen instrument to carry it out. There were a few little problems to work out with State but these would be taken care of while I was on home leave and when I came back I should expect to be going in short order.

I suppose this was in mid '72, and, as it turned out those things had not been worked out with State and they weren't for quite a long time. I didn't get to Rome until April of 1973. So I had quite enough time in Washington to get a re-education -- something of an education on the international institutions and to work on various problems such as the one on implementation of the reorganization. During the process, I became convinced that some things we were doing with the international organizations were pretty bad, in the sense that, to use the example of the project approval process, what we were doing, it seemed to me, made it impossible for the UNDP to operate with any semblance of efficiency in carrying out a development program. It took forever to get clearance by members of the governing body for a project which UNDP wanted to carry out, partly because the function just wasn't taken all that seriously in AID / Washington, and there were not competent personnel assigned to the task of getting the job done.

Q: Let me see if I understand. Can you elaborate a little bit -- just to be specific -- whether the projects you were talking about were UNDP projects or USAID projects?

SKILES: UNDP projects. But the system that had been set up -- well, we'll come back to this later because it affects most of the whole UN system. The system that had been set up was for project clearance by members of the governing council of the international agency before the agency could go ahead with any kind of implementation. In AID Washington, there was a huge backlog of projects that had not been processed -- we had not said yes; we had not said no. I could just picture the guys at UNDP in New York holding their breath for month after month while we got around to deciding whether to clear a project or not. In other words, it just wasn't working.

Q: And was this a peculiar problem in the USAID relationship with UNDP or did other countries have similar problems or exercise similar foot dragging?

SKILES: I don't know how bad the problem was with other countries. Two points. First, especially if we are encouraging a growing role in development for them, we should do our best to try to bring about the conditions which will make it possible for the UN agency to be an efficient and effective operator of its program. Second, to the extent the U.S. takes on an operational role, we'd better get ourselves set up to do a decent job of operating. Frankly I did not find this in PPC - Program Policy and Coordination - which was the central body for United Nations activities in AID Washington. People were too busy writing papers, going to meetings, preparing position papers for an upcoming meeting - far less mundane things than making sure that the operational steps in a program of a UN agency were properly and expeditiously taken care of.

I think it will save time if I first try to sketch in a bit of the United Nations framework, then of the U.S. framework for working with the UN, then come more specifically to the FAO/WFP complex.

The UN is not a straight line hierarchy. It is not a top to bottom organization in the sense of approval, directive, and administration, though there are down and up reporting channels and in some phases coordinating devices. Generally speaking, the General Assembly and the Security

Council are the entities we tend to think of as the UN, headquarters New York City. They deal primarily with political and security affairs. They are serviced to considerable extent by the Economic and Social Council (ECOSOC), also in New York, with respect to economic, social, cultural, educational, health and related fields. Then there are a number of specialized agencies dealing with such things as Development (UNDP), child feeding (UNICEF), health (WHO), education (UNESCO). I wouldn't care to get into a discussion of the degree of independence of the top structure (UNGA, Security Council, ECOSOC), but it does seem to me that the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD, or World Bank) are the most independent, perhaps FAO next, simply because it came into existence in 1945, even before the UN proper was organized. The World Food Program came much later (1962) and is a bit of a hybrid. Its title is UN-FAO World Food Program, which means that it does report to both FAO and ECOSOC.

Each of the agencies has a governing body on which the U.S. is represented. These are sometimes referred to as the legislative or authorizing authority. They set the policies, approve the programs and projects, the budgets and so on. Then the agency has the administration role.

On the U.S. side the State Department has the primary responsibility for international relations, conferences and organizations. These latter two head up in the Bureau for International Organization Affairs (IO), which functions on a fairly straightforward basis for political and security affairs, although the White House is a party not infrequently for the former and, as you can see, security matters pretty quickly get diffused or shared. For economic and social affairs and agencies there has been a greater tendency for the subject matter departments to take a leading role, and in more recent years (speaking now of the early 1970s) with increasing recognition of AID responsibilities in the development arena, the UN agencies' increasing involvement in development, and because it handles the funds in large part for a few other functions such as disaster relief and humanitarian assistance, AID is involved. For the most part this responsibility resides in PPC which has a unit corresponding to IO in State.

For FAO since the early days (1945) the Department of Agriculture (USDA) has had the primary substantive responsibilities for liaison, but other agencies including AID enter into it - and keeping in mind State's basic responsibility, there necessarily are interdepartmental and interagency arrangements for backstopping in Washington. Obviously such an arrangement leaves plenty of room for jealousies, overlap, bureaucratic interplay and sometimes friction.

The UN-FAO World Food Program was started while George McGovern was in the White House as the first Coordinator of Food for Peace, a job that was subsequently passed on to AID. In simple terms WFP was to be an international worldwide institution designed to use food for feeding people, for economic and social development and for meeting emergency situations; perhaps primarily to improve nutrition levels, food accessibility, and try to help improve the possibilities that recipient countries might avoid a recurrence of the causes of the food problem. Donor countries make the food available, as well as limited amounts of cash. WFP is the Administrator. The governing board, called the Intergovernmental Committee or IGC, is made

up of a couple dozen member countries one-half elected by ECOSOC and one half by FAO Council.

This FAO Council in turn is elected by the FAO Conference and serves as the governing body between meetings of the Conference every other year. Both the Council and the IGC meet twice a year. The Council has a limited number of standing committees which carry on between meetings of the Council; IGC does not.

These, then, are the governing bodies for FAO and WFP - Conference, Council, IGC.

It is State's responsibility to follow the protocol and designate the delegation to each of the formal meetings of these bodies, but in practice the Secretary of Agriculture heads the delegation to the Conference, a senior officer of USDA (but not so senior as the Secretary) leads the delegation to the Council; and the leader of the IGC delegation rotates between USDA, usually the Deputy Assistant Secretary for International Activities and the Coordinator for Food for Peace in AID.

We've been speaking of the governing bodies which set the policies, approve the programs and projects, authorize the financing and so on. With regard to the agencies, again keeping in mind State's responsibility for representation, the primary substantive contacts are USDA for FAO and AID for WFP. The backstopping in Washington for WFP follows in a sense the financing for Title II commodities (the grant program of PL480) which is USDA for commodities and AID for administration. They participate jointly in the administration of Title II through an interagency staff Committee (which also includes Treasury, Commerce and OMB) as well as daily contacts. AID generally is responsible for program operations and USDA for commodity availabilities. To get Food for Peace (FFP) in context, I probably only need to point out that in 1972 the value of commodities for continuing operations were about 15 percent for WFP and 85 percent for non-governmental organizations and government to government programs, so obviously there is competition for commodities and a desire for consistency among clients. In AID it is FFP not PPC that backstops the World Food Program.

Backstopping for FAO is much more varied and follows along the lines of substantive interest. For AID I mentioned PPC in connection with the governing bodies, but it certainly is not the only unit interested and involved, and this applies even more so to contacts with the agency. There also are TA/AGR (agriculture staff of the technical assistance bureau), the regional bureaus (during my time for reasons which will become apparent later it was primarily the African bureau), the Office of Disaster Relief and FFP, the latter partly because of the relationship of WFP and FAO, and because FFP is concerned on a broader basis with world hunger and therefore special initiatives such as the World Food Conference. I also mentioned "primary substantive contacts" but of course this is only part of the story, partly because FAO is regarded as having more general capabilities than scientific agriculture as well as being part of the United Nations family of specialized agencies. The example closest to home is that PPC had decided to set up three jobs - one in Geneva, one in Paris and one in Rome - to help carry out the mandate to do more developmental activities through the specialized agencies. During the

“period of patience” waiting for a resolution of the problems which already existed, largely between State and AID, or perhaps State and FFP, the Coordinator of FFP had put on hold the appointment for “his” job. PPC decided to go ahead with “their” Rome job along with appointments to Geneva and Paris, and once again I was designated to fill it. About this time the problems got resolved and the Coordinator insisted in going ahead with my placement in that job, so naturally we worked out a sort of compromise and I finally went out. I arrived on April 13th.

Q: How would you characterize your mandate in relation to those agencies as operating institutions?

SKILES: They are quite different. PPC was mostly interested in pursuing the policy to increase the use of or reliance on the international institutions rather than bilateral programs for development assistance. Influence is to be achieved both in working with the headquarters of the agency and through the medium of participation in preparations for and the meetings of the governing bodies. Financing of activities is to be through the regular UN channels. In the case of Rome the specific target would be much more FAO than WFP. Food for Peace, on the other hand, has a more specific responsibility for commodities supplied with PL480 resources and the mandate is to utilize the mechanism of the World Food Program to carry out a program of feeding and nutrition improvement with a concentration on development effects of WFP projects. Financing is from PL480 and AID. Interest in the projects is rather universal and naturally the U.S. tries to see that they are consistent with or complementary to our bilateral programs. Commodity usage must also take into account another major FFP customer which is the non-governmental institutions. The mandate to FFP includes compliance or adherence to all those conditions and requirements, largely Congressionally mandated, that PL480 works under. These go a lot further, it seems to me, than they do in the normal AID programs in terms of Congressional participation down to the nuts and bolts. It's partly because funding support comes from the farm and industry interests as well as the political interests, and because of the historically close relationships between the Administration and the Congress working through the Agriculture committees which in turn stay close to the industry and farm interests.

Q: Were these conditions related primarily to usual marketings, to non-interference in commercial trade or did they have to do with more on the development side?

SKILES: The conditions or restrictions deal more with things like usual marketing and non-trade interference. And of course, there are a number of other guidelines that have grown up over the years, such as self-help regulations with respect to selling commodities that are provided under PL-480, loan versus grant criteria, etc. But for the most part, I think it's a responsibility to the Hill and to the providers of the commodities to conform to commercial practices with respect to buying and moving commodities, to shipping and all this sort of thing. AID's interest goes beyond that, of course, to the feeding and development projects carried out by WFP.

Q: Now, the World Food Program projects that you were dealing with had what kind of characteristics?

SKILES: They varied tremendously, John. Improved nutrition and food supply always were primary considerations. The biggest projects were food for work activities - reclamation, irrigation, road building - but a lot of school feeding, mother and child care and so on. One of my main charges was to encourage them, wherever possible, to have the types of projects which would also have a developmental -- which would be using food as a major input but which would have development or one of our other policy goals as a target. For example, when we enunciated the Women in Development movement, it was a fairly simple approach to try to make sure that projects financed or supplied by WFP paid attention to this element.

Q: Therefore, you'd have significant benefit for women's participation and women as beneficiaries of development action.

SKILES: Exactly. A significant kind of guidance was, in effect, an area guidance. We were placing heavy emphasis, along about that time, on a focus on the least developed countries. You recall, we go through swings on this thing. The islands of development concept was basically to take advantage of the promising areas --promising countries -- and try to make showcases out of them by ensuring that you got good development rapidly. This concept coincided with the sufficiency argument - insure adequate assistance so the total development effort will bring about self-financing abilities. Now, it's almost the other end of the spectrum to swing over and talk about concentrating on the least developed or the poorest countries, but this is what was happening.

Q: Not only that but the poorest people in the poorest countries.

SKILES: Right. This is what was happening and we were pursuing the principles in the UN organizations as well as with our bilateral programs.

Q: These programs could respond to both emergency situations and participate in longer run, larger scale development actions, right?

SKILES: Yes, At the extremes, these are quite separable, but they tend to come toward the middle. This probably will come up later, but I thought my efforts to help improve the competence of both FAO and WFP to handle emergency situations were much more effective than any influence on the longer-term projects, about which their concepts usually weren't much different than ours would have been. We had many cases, for example, where, well you just think of India or Bangladesh, any of those countries that have food shortages, and it's easy to see how, in supplying food to help make up for the immediate problem you can devise work programs or training programs directed toward avoidance or amelioration of recurrence of similar problems in the future. The biggest projects WFP had, I suppose, were Indian Food for Work projects (as they probably were in the case of the bilateral programs) in which a lot of labor to improve water utilization projects, rural roads, etc. was "paid for" by the imported food. Food for Work. Now, when it came to real short-term emergencies, where food was the main ingredient, WFP wasn't all that well equipped to take care of those except on an individual country basis. They had no over-all emergency handling apparatus. We worked diligently at

improving this capacity. So, in answer to your question now, sure there were a lot of emergency or semi-emergency type things in the WFP projects and progressively the real short-term emergencies. There were a lot of supplementary feeding programs in areas like school lunches, mother and child care facilities, that sort of thing, and in a much broader sense, in rural development projects such as in Egypt where you had a fairly substantial contribution to a fairly substantial undertaking.

Q: Yes, and I suppose, if my experience indicates anything, there were a lot of instances where we were seeking to use WFP as an instrument to get rural development through the construction of roads and other facilities in rural areas which could be accomplished largely through labor under Food for Work arrangements.

SKILES: Right. Those probably were the largest single category of projects in terms of WFP's use of food aid. Actually WFP's priorities, aside from direct feeding, were not all that different from ours in AID. The main difference is that they had very little cash to work with; food was the coin of the realm.

Q: Who were the people you worked most directly with in your Rome assignment?

SKILES: John, let me get one other thought in here before I respond to that.

Q: Sure.

SKILES: What I was talking about earlier was complications within AID and between AID and other U.S. government agencies in getting prepared for and in working with these international institutions. On the UN side, which is the point I wanted to get in before we get to the work relationship aspects, it's just as complicated. You have the General Assembly making supposedly political or security decisions, then it's up to some other body to carry them out. Sometimes, these are very useful, as they were during the '73-74 food crisis when the Assembly passed a resolution calling for a World Food Conference. Incidentally this was quite consistent with U.S. policies and initiatives at the time.

Q: But it grew specifically out of the perceived world food crisis of that '73-74 period, right?

SKILES: Right. But I was trying to lay the groundwork for a sensible answer to your query about who you work with by emphasizing three things. One is the complex backstopping in Washington for UN activities. The second is the UN framework, which I'll conclude by repeating that each of the UN agencies has its own governing body, of which the U.S. is one of the members. Third is the U.S. relationship directly with the UN agency with regard to the programs it carries out, which is aside from the U.S. participation in the governing body, but certainly related to it. The second is the authorizing or legislative function: the third, the administration function.

It seemed to me that a couple of things happened in Washington in 1972, and one world-wide perhaps more in '73, which had a great deal to do with what I worked on, and therefore with whom. The latter was the increased recognition that the world in general was in a real food crisis situation - shortages were showing up everywhere and the available buffer stocks even in the U.S. were being depleted; the significance of FAO and WFP in this emergent situation had widespread recognition. The former related to changes in operating relationships between the U.S. and WFP on the handling of commodities for agreed programs, and greatly simplified my tasks in Rome on that front. This is going to sound like minor stuff, but to simplify the concepts, let's just say that the major change was to permit WFP to call forward (USDA does the buying) the commodities on a consolidated or program basis rather than continue doing it one project at a time. The technique is a "Blanket PA" - purchase authorization. The second was to give WFP much more latitude in arranging for its own shipping rather than being dependent on our process where the USDA...

Q: With all the 50-50 shipping provisions and all of the U.S. flag requirements and all that? Or, did those still apply?

SKILES: They still applied but it's much easier to do it on a bulk basis than it is on a project-by-project or commodity-by-commodity basis.

Q: In other words, as long as they complied in the overall, there were considered to be in compliance. They didn't have to comply with these regulations for each small activity separately?

SKILES: Correct. Curiously enough that was a contentious argument for years, wasn't it? But I think by this time much of the argument had been dissipated so long as they conformed in general to the spirit of the requirement which was that at least 50 percent by type of shipping move on American ships. That wasn't so bad.

Q: My impression, as you talk, is that this was one hell of a complicated bureaucratic environment where you had to relate to many different policy centers in the U.S. Government and at the same time to examine many different issues that were funneling through WFP and FAO?

SKILES: Well, that's the way it seemed to me, yes. That's what makes it fun. And the other thing that was important to me, just as an individual, is that I not get lost -- not let all my time be taken up with matters like this which were essentially operational matters. Perhaps this is a good point to drop one of Jack Bell's old stories. Jack, as you recall, after having been the Mission Director in Pakistan, was our regional administrator in AID/W, and after a fairly short period on that job, he said that an individual's point of view seems to change a great deal depending on whether he's the operator of a vehicle or a pedestrian. I've always thought there was a lot of Mark Twain intelligence in that comment. And it was certainly true of us in Rome. I suppose you could say that my point of view was that WFP was a separate entity - an international organization set up to run a program - and that our role should be to make it

possible for them to operate efficiently and effectively. We should exert our influence, but should not inject ourselves in an operational role or try to police them on individual operational steps, massaging and remassaging. Those two simplifications that I mentioned in terms of WFP functions had, I think, a great deal to do with my opportunity to exercise a different kind of an ambition in Rome. These were the kinds of things that the USDA in particular wanted a careful look at. I remember Andy Maier (Deputy Assistant Secretary for International Activities, USDA) telling me when they were talking about a specific shipping problem and he said, "Well, hell, that's part of your job. That's why you were sent over here." Well, this was an eye-opener to me; I'd never heard that, but it was a matter of instantaneous recognition. Of course, that's one of the things that they were worried about when the job was set up, and what they'd been doing, apparently, for a long, long time: monitoring individual shipments, approving individual movements of commodities, even the charters. This sort of thing is automatically policed in Washington anyway - why try to do it in both places? And I had been able to back away from that almost completely, thus giving myself a much better opportunity for more effective participation in the planning and arrangement of WFP's program activities.

Now, having said this if I can digress for a moment, I was rather startled in thumbing through some old appointments calendars, to see how much time I really did spend on commodity problems, for example -- negotiations with WFP on commodities for projects. There was a lot more of it than I . . .

Q: *Define what you mean by commodity problems.*

SKILES: All right, I'll try to put this in two or three different categories. One, is to remember that the U.S. was the only supplier of certain categories of food, such as Non-Fat Dried Milk (NFDM), corn soya milk (CSM) -- the fortified foods and dried milk products, basically. No other country was providing them at that time. So if WFP had wanted to carry out a project in a given country, and they wanted those commodities in it, then they had to get our clearance to have the project and to have the commodities. Before this stage, it is necessary to be sure that the trade could provide - so this takes a bit of foresight of projecting requirements and/or the people in Washington to keep processors abreast of likely developments.

Q: *So we are talking about NFDM, non-fat dried milk, CSM, corn soya milk mix?*

SKILES: Okay, this is one category. Even items such as wheat or corn...

Q: *As bulk commodities?*

SKILES: Yeah. These normally are available, but can become a problem - and did in '73-'74, during the big food shortage, the crisis. We were in the line with a lot of other people competing for available food products.

Q: *WFP was?*

SKILES: Yes, well, even the U.S. Government, certainly PL480 as a functioning institution. To back up just a little bit, when there were surplus stocks in the country, in effect government-owned stocks, largely under the control of USDA, but handled by the normal trade, the people who were actually holding the stocks were delighted when USDA would call them forward to use in a PL480 program. But when stocks get scarce and prices go up, then it becomes a good deal more difficult to call products forward in a government program from the commercial people who were handling the stocks.

Q: Because they would rather sell them through commercial channels to build their marketing capacity.

SKILES: And with a few limited exceptions, the commodities were supposed to be items in surplus in terms of the price support programs. Uncle Sam was doing the procurement for these commodities. One period we went through WFP wanted a lot of wheat in the spring, and Washington was telling us, we're going to be short of wheat until July -- until the new harvest comes in. "So can't you please use more corn or something else during this period until we can go out and get the wheat without spoiling the market back here." This sort of thing was going on quite frequently and usually was negotiable without too much trouble. A couple other examples, rations and categories of assistance. At one point Washington (FFP) wanted to make a blanket change in rations, and to accomplish this simply issue a commodity instruction saying we will provide only so many grams a day. Naturally they wanted this to apply to WFP as well as the NGOs because otherwise you set up competitive problems in the recipient countries. I took the position that WFP was a separate United Nations entity, that the governing body had approved the rations and the U.S. had agreed to supply the commodities. We can negotiate some changes (and did), but it is not proper for one of the suppliers unilaterally to dictate a general change without going through the governing body. (One of the problems is that setting ration levels is an elaborate and contentious exercise involving a number of people and different agencies - nutritionists, child feeding experts, health officials and different UN agencies.) Same with categories of assistance. FFP had concluded that secondary school feeding was not a high priority and we were to discontinue supplying. The problem is that this was a high priority for WFP, and if we were going to be instrumental in making a change then the appropriate route was the governing body - not the commodity control.

These kinds of commodity problems continued to be part of the job, and I had no qualms about dealing with them. What I resisted was involving myself in the actual operations of supply.

Q: So from a broad philosophical point of view, did you feel that you were, and did you feel that AID saw you as a person whose job was to make sure that the development aspects of the activities of WFP and FAO were properly taken care of and you were only incidentally involved in these commodity and shipping issues? Is that the way you saw it?

SKILES: Both aspects are important, but yes, that's the way I saw it, and I think we made substantial progress in that direction. There are a number of advantages. I was not looked upon by WFP as intruding in their operations, so major parts of the organization were much more

willing to consult with me on different - and much more forward-looking - aspects of their program. In my view this was much more significant in terms of AID's real interests. Second is time; operations take a lot. Third, part of the friction I alluded to earlier had been the reaction of the American Ambassador in Rome to what he referred to as continual nit-picking on things that it was not proper for the U.S. to be involved in, and frankly, I thought this related primarily to those operational elements of the UN agency, so to the extent that I was not involved in them, life was much simpler in terms of relationships with the State people. As to AID I cannot say that there was a single reaction. Certainly PPC looked at the function that way. Food for Peace had a bit of a split. The Coordinator and his deputy for Title II - Dan Shaughnessy, who was just great at this sort of thing - were very much attuned to the developmental or overall AID responsibilities and almost always looked at the Rome function from that point of view. (Of course it took a little reminding from time to time). Technically they were my backstop, although this was a shared function. However, the main day-to-day interest of most of the staff of FFP related to clearances with USDA, the shipping problems, procurement issues, those sorts of things, so I rather doubt they saw my job in exactly the same light. TAB/AGR, Disaster Relief, the regional bureaus - mostly African - by and large were just looking for help in getting help from FAO, so my guess is that their main interest was in the liaison function, a combination of developmental and emergency. For example, the Deputy Director General of FAO and I signed a joint fund agreement which made it possible for FAO to carry out quite a bit of work in the Sahel that the African Bureau wanted done.

Q: *In the bureaucratic sense, who was Food for Peace?*

SKILES: Well, I don't know who it is now.

Q: *No, no. I mean then -- when you were dealing with it. Who were they and where were they situated? How do you define them because my perception is that it was an inter-agency committee you could never put your finger quite on who it was?*

SKILES: Well, to some extent that was true of the function, although, you see, because of this problem, because so many different outfits were involved in food assistance overseas early in the Kennedy Administration, they had established the job and set up the Food for Peace Coordinator in the White House -- George McGovern was the first one -- to tie these various things together - - to coordinate them. He, basically, was not supposed to be an operational entity but an overall coordinator. Well, as time went by, this function was passed to AID, I think at the time Herb Waters was head of Materials Resources. And they put. . .

Q: *He was a protege of Hubert Humphrey?*

SKILES: He had been a Humphrey worker and the Senator's administrative assistant for many years. I think it was at that time that they delegated the Food for Peace function from the White House to the Secretary of State and in turn to the individual in AID. So he was always a sort of a hybrid in AID also. I mean, this was a personalized function, the Coordinator of Food for Peace, a Presidential appointment.

Q: You mentioned Andy Maier as little while ago. What was his position in the hierarchy?

SKILES: I think his title at the time was Deputy Assistant Secretary for International Affairs or International Activities in the Department of Agriculture. He and the FFP Coordinator basically took turns heading up the U.S. delegation to the IGC - the Intergovernmental Committee of WFP, and the governing body for WFP.

Q: Interesting that he had come out of the State Department foreign service before that.

SKILES: Also interesting that he went back into the State Department, into AID, because shortly after I went to Rome, Irwin Hedges who was the FFP coordinator, left and Andy Maier came over from Agriculture to replace Hedges. So during much of my time there, Andy was the Coordinator and, in a sense, my main backstop and supervisor on that side of things. I lost the thread.

Q: Well, I was asking you, who was Food for Peace. You've now told us it ended up being lodged at a moderately high level in AID.

SKILES: Yeah. It was sort of a dual appointment. The Coordinator or Director was a Presidential appointee, and he had an impressive office in main State - geographically near the Administrator of AID - but he also was in charge of the office of Food for Peace which was located across the river in Rosslyn and was the operational arm. This continued through Maier and through his successor, and then I think it started to go downhill. I don't know for sure why or what's happened to it.

Q: But in the '70's, that's where it hung out.

SKILES: Yeah, and it was a responsible position.

Q: So, in any case, you regarded yourself as still being an AID foreign service person and a representative of AID as well as a representative of the Food for Peace segment of AID. But which role, the development role or the commodity role, did you see as predominant?

SKILES: You're going to force me into something that I decided I wasn't going to talk about.

Q: Sorry about that. Don't go any further than you want to.

SKILES: We have been talking quite a bit about the WFP and not yet much about FAO, and I don't think the commodity versus development is quite the right question. We use the commodities to try to get development as well as feeding. In terms of my own time, I think the world food problem overtook and transcends questions about either role, and that is what I spent most of my time on regardless of whether the organization involved was FAO or WFP, and it was often both. The Office for Sahel Relief Operations was set up about the time I arrived and

this was in FAO. It took until some time later for WFP to become convinced that they needed a special unit to look out for and take care of emergency operations, as contrasted with what had been the practice of leaving these to the regular geographic units - and this was done in WFP.

Eventually OSRO changed its name from "Sahel" to "Special" so it was able to keep the same initials but operate in other areas as well as the Sahel. Fertilizer became a very sensitive item in short supply and a special office was set up to handle a special emergency supply scheme for fertilizer. When we discuss the World Food Conference, we'll see a number of problems and initiatives that deserved attention.

One of the reasons for sidestepping your question is that it immediately gets to the organization problems, the complex that works on the international agencies, the made-to-order bureaucratic ambitions and jealousies - and I think we've talked enough about them - and they aren't going to go away. In a different setting, on one of the Administrator's (Dan Parker's) visits, he said, "Remember, you are the AID Representative out here." That's good enough for me, and I think that reflects my attitude. I was there, I was the AID Representative, I would do the sorts of things that I thought were most significant for AID at the same time trying to avoid some of the difficulties which had arisen earlier in terms of friction, competition with State functions, and with all of this trying to keep reasonably happy a whole lot of people who from time to time get interested and involved in what's going on in Rome.

Q: Including commercial interests? Were they on your back?

SKILES: No, not on my back. We had some rather frequent visitors, particularly the food processors, but they were friendly visitors. They were not a problem. They also were represented by trade groups - I think particularly of the Protein Grain Products International.

Q: ADM or other corporations who were big in this trade?

SKILES: Krauss and ADM. Krauss was the main supplier to WFP of the fortified foods.

Q: That's because they were the biggest supplier in the U.S.? Or was it a special deal?

SKILES: It's largely because they were in the forefront of developing those particular mixtures. They stayed well represented in terms of the contacts with WFP. Krauss provided some experts - consultants on how to use those commodities - and they were very helpful. ADM was a big supplier of the bulk commodities but, as I recall, they didn't do much in the . . .

Q: In the processing?

SKILES: In the processed stuff. Well, to finish that thought about the bureaucratic tendencies and friction which I was going to try to avoid, I should put in a word for PPC, and that is that I think the International Organization unit in it was concerned primarily with the concept that the Second Development Decade required a more unified UN approach to the development problems. In the agencies, it seems to me, this would have required a sort of top down organization which

really didn't exist, from ECOSOC through the specialized agencies with UNDP as the top and main dog, and in the field a UN Resident Representative who would supervise the activities of the specialized agencies. Some progress was made in this direction, but actually the organization didn't exist that way and in many ways it seemed to be primarily a paper war. In FAO it was like pushing on a string because, being very good bureaucrats and seeing the need for increased services in the field (can I say opportunities?) They were more than willing to expand, but this requires money beyond the FAO budget. The scheme was for UNDP to fund, but UNDP was not getting enough funds for the increased activities either, and frankly FAO felt they had been burned. Now this kind of exercise never finishes - there is always a tomorrow.

Q: You often had a UN resident representative who supposedly had broad authority in the country. He was the equivalent of the UN's Ambassador there. Is that how you perceive it?

SKILES: Yes. I wouldn't use the term "ambassador."

Q: No, don't. But in a sort of loose sense.

SKILES: He was to be recognized as the head man of the UN specialized agencies.

Q: But you're saying, as you perceived it, that wasn't working very well. That different agencies were pretty much on their own.

SKILES: Yes. And especially with FAO. If they were there, they had probably been there quite a while. Now, there weren't all that many countries where they were operating field programs because basically their claim to fame had been for years, as a professional and scientific organization rather than one that was carrying out field programs in development.

Q: Now you seem to be saying. . . increasingly during this period, FAO came to be the implementing agent of some or many UNDP programs, right?

SKILES: Oh, yes. What I was going to say is that gradually they got more into that kind of thing and by the time I got there they had a number of field programs and the department that handled field programs supposedly was to be my main contact in FAO as distinct from WFP. They were appointing more FAO country representatives, but this fairly quickly ran into budgetary problems, and the movement was largely overtaken by critical short-term problems. By budgetary problems I mean basically that UNDP was to finance these activities for which FAO had been asked to supply the manpower, but UNDP didn't get sufficient money to carry out their part of the deal, so the movement was not progressing very rapidly.

Q: Now you happened then to be in Rome during this very critical period that we mentioned before of the severe world food crisis and a great deal of responsibility fell to FAO for assessing the nature, extent, and priorities involved in meeting that crisis. Isn't that right?

SKILES: John, now you're setting the framework for the next chapter. I perhaps digressed a little too much in trying to give some examples of the roles of other backstoppers who were interested in things other than the WFP operation. But even they, in AID terms, it seems to me, acknowledged that for something like the World Food Conference, AID simply is not the number one organization involved in it. There are some people who are interested and involved as you go along but the basic responsibility for it is not in AID. It's a bit of a dilemma because the underlying problems are basic reasons for AID to be in existence, and the search for improvements in agricultural production and relief to the food shortage problems are indeed among our main responsibilities. Yet when it comes to fostering an international conference on the subject we are not the main players. We do, however, have the front-line responsibility on assistance and emergency relief. So this is a pattern that I tried to replicate in Rome. If it was something that AID had number one interest in then I thought I ought to get into it without too many restraints. If it was something that USDA or State has basic responsibility for, then we had to sort of weigh the pros and cons and decide who was to do what on it.

Q: State had representatives in Rome in the Embassy and were they stepping on your toes?

SKILES: From their viewpoint, of course, it's the other way around. As I emphasized earlier, State is responsible for representation to international conferences and international organizations. In Rome, the FODAG, so-called, is always headed up by a State Department officer, Counselor for FAO Affairs. Now the issues are not clear-cut and never can be, because the customers overlap. Because the interests of the backstoppers overlap, you're always going to have problems of this kind. Hopefully, they don't raise to the level of a crisis like they had before I went out and while I was waiting to go out. The competition between agencies and between parts of agencies continued during all the time I was out there. PPC always preferred to have its own man reporting directly to PPC, and they tried various proposals, usually in the form of sending out additional, more junior individual to concentrate on the World Food Program and have me freed up to work on developmental activities. Frankly, I wasn't all that anxious to have additional staff there, partly because a big part of the job was to keep from crossing wires with State. Second, the most important aspect is the degree of influence with FAO and WFP -- not really helped by additional staff. At the time I left, three different people were appointed: one just on Food for Peace, one on developmental activities, and one on African activities, primarily the Sahel. Now, how it worked out, I don't know.

Q: The latter was because the second round of drought crisis in Africa was emerging, right?

SKILES: Yes, but I think more because after the original thrust for emergency assistance in the Sahel in '72, '73, '74, a Sahel Development Program was organized and separately authorized by the Congress and this was going to go on for some time.

Q: Yeah, I forgot about that. That's right.

SKILES: By that time both WFP and FAO were heavily involved in carrying out programs - often with special AID funding. There was a desire on the part of AID to continue this

arrangement and build on it. One of the African Bureau people involved in and responsible for a lot of the Sahel stuff in Washington and who did have a lot of contacts with FAO and some with WFP had concluded that it was better to try to work out of Rome than from Washington and I think this was basically behind that appointment. Well, to get back on track and get at your main point, it seemed to me that the most major influence of all on what I was to work on was simply the signs of the times: the development of a food crisis almost everywhere. Production was down in crisis proportions in a great many countries, and even aside from this, FAO studies by then had indicated that per capita increases in food production were going down in the developing world as a whole. The population was growing faster than food production was, particularly in Africa.

Q: In Africa, you had some countries even where it was beginning to be apparent that you were having absolute declines in the volume.

SKILES: Yes. A number of other things happened at somewhat the same time. One of them is that the Soviet Union came into the world market because of crop problems in their area and they bought a lot of both food and feed. Another was the oil crisis, the embargo that arose out of the Middle Eastern problems, which created shortages of various kinds in various quarters, including foreign exchange in the U.S. as well as in most of the countries we were working with, simply because the price of oil for imports went up so much. We'll come later to the matter of fertilizers but fertilizer production was down; again there's a relationship to the oil embargo. Even in the U.S., our surplus food supplies were being drawn down and on a worldwide basis it was becoming apparent that there were going to be problems for some time in terms of total supply and even greater problems in terms of supply being in the places where it was needed. So it became -- in terms of my own working interests -- it became obvious that various elements of this problem were the things to be spending time on. Put another way, these were the problems that both FAO and WFP were going to be primarily concerned with .

I think this may be a good time to jump to the legislative side of the business because it brings in a lot of the stuff that you had in mind in the question you asked. Some of this is likely to be repetitive. The World Food Program was governed by an outfit called the Inter-Governmental Committee, as I mentioned earlier, elected half by the FAO Council and half by UNESCO. It met twice a year and the delegation from the U.S. normally rotated in terms of its chairmanship between the Food for Peace Coordinator and the Deputy Assistant Secretary for International Affairs in USDA. These names will get confusing because for a long stretch there. . . Well, as we said before, Andy Maier was the Agriculture man, he would head up one delegation; Hedges and AID would head up the next delegation, and then back to Agriculture. I guess, the way it worked was that the first IGC meeting I attended which was just about ten days after I arrived, was under the chairmanship of Agriculture, so Andy Maier was the head of the delegation. By the fall meeting, Andy Maier was the Food for Peace Coordinator so he still headed up the delegation.

Q: He came back again.

SKILES: He came back again but from a different position.

Q: *That's interesting. That clarifies for me a confusion I had about his role. He happens to be a person I've had personal acquaintance with but not an official acquaintance with in these roles.*

SKILES: Well, strangely enough, I had sort of tracked him around earlier but had never actually met him. He had been the administrative officer in Rome years earlier before he went to Kabul, and he'd been the administrative officer in the Embassy in Kabul but had left shortly before I arrived.

Q: *And that's where I knew him.*

SKILES: There was one other thing we had in common, that has to do with Agriculture. I hadn't actually met him until I started making the rounds in '72 to go to Rome and he was in the Agricultural function at that time. An old buddy of mine, named Ray Ioanes, was the administrator of Foreign Agriculture Service at that time and his first reaction when he heard I was interested in going was, "Go see Andy Maier. He's the one in Agriculture that looks out for that." Andy and Ray are old friends. Both must be good politicians.

Back to the IGC, it meets twice a year. This governing board has, I believe, 24 members. The meetings are held in the regular conference rooms at FAO -- very good arrangements, plenty of space, simultaneous translation facilities, all this sort of thing. The governing group approves the policies, principles, programs, ration levels, the projects which WFP is supposed to operate until the next meeting and considers the evaluation reports both on projects and on special subjects such as nutrition and the role of fortified foods. This conditioned my attitude. If we're doing all of this on the governing board level, that's really where it ought to be done rather than in the operating details. I saw a lot that could be done to help improve WFP's capacity to prepare well for these meetings, to sharpen the issues the governing board should concentrate on.

Q: *So did it move in that direction?*

SKILES: Oh, definitely, yes. The second organization is the FAO Conference. I really should have put it as the first organization because it's, by all odds, the biggest and the most important, and being the UN/FAO World Food Program the IGC really reports both to the FAO Conference and ECOSOC. Let's deal with the Conference and the FAO Council together. The Conference is a group of ministerial representatives from the member nations, as I recall 108 at that time. The Council is an agent of the Conference, meets twice a year and among other things, does the preparatory work for the Conference. The Conference meets once every two years and puts on quite a show. That part of the Conference which meets as a Plenary, tends to run more to the political side than to the professional side. The Conference is divided up into three basic departments for carrying on the real work of the Conference. More later.

The Council, which is a much smaller organization, is the governing body between meetings of the Conference. Now, one of the idiosyncrasies at the time that I'm talking about -- the '73-'74 period -- is that the two main continuing bodies of the Council are the (A) the Program and Plan Committee, and (B) the Finance Committee. The idiosyncrasy is that the Program and Plan

Committee was headed up by an American, a USDA official; on the Finance Committee, the U.S. also was represented, in the form of the State man, who was the Counselor of FAO Affairs in the Rome Embassy. Later, when he left Rome, he came back to State IO/AGR in Washington but he continued to function as a member of the Finance Committee of the FAO Council. This is almost a digression, but to me, those two things, plus the fact that I knew the State Department was not only interested in but jealous about its prerogatives with respect to the formal meetings and a fourth element which doesn't seem very big to us but was to them, goes by the label of "personnel" It's a little different than we normally regard personnel, but among other things, the various member countries were always trying to get their own nationals placed in FAO proper and WFP. We were no different. So those were the things I ought to stay away from -- try to keep my skirts clean on. But otherwise, responsibilities for following things were pretty much on a substantive basis. And anything dealing with assistance, whether food or agricultural (though the latter gets more contentious), and basically anything dealing with emergencies, seemed to be more my responsibility than State responsibility. This is the basis on which we tried to sort things out. I would like to add "development" and that was true to a large degree, but FAO's ability to get into development activities relates directly to the Program and Plan and to Finance, so you can't lay full claim to that one either.

Q: And you found you had a reasonably good working relationship with the State people in Rome?

SKILES: Yeah. I thought so, particularly with the first FAO Counselor. With the second, I heard a few firecrackers back in Washington. And this, again, is the result of one of those normal, human reactions. The State man wants to feel that he heads an operational office and wants to be able to "supervise and direct" whereas AID generally tries to protect its position under a label such as "under the general guidance." (You may recall an earlier reference to the previous Ambassador. He can interject himself if he wants to. He is the President's representative. In my five years there he didn't). To some of them, depending on who the people are, AID is just a red flag, you know -- always has been. In other words, this is not unique to Rome. It's a problem with relationships everywhere.

In 1973, the Inter-Governmental Committee met within days of my arrival there, but in some respects, I felt like an old timer. I'd been on the job for 10 days. But the real point was that while I'd been in Washington, I'd had the chance to participate in the preparations for the first meeting and this was a good education. I meant to use it earlier as an example of how the Washington agencies fit together on these various things, too. In effect the prospective leader of the delegation - the FFP Coordinator or the USDA man - chairs an interagency group which prepares position papers and in this case at least, much of the work was done by people from USDA. More so, I would say, than from AID though they were both very much involved in it, as was State. This was even more true of the preparatory work for the FAO Council; it was chaired by a man from USDA, although generally not the actual delegate who was usually higher in the pecking order.

Q: What were the issues that they were struggling with?

SKILES: Are you thinking mainly of WFP or the Council?

Q: *The Council.*

SKILES: I don't know that I can say what they normally would be spending much of their time with, other than to point out that FAO and therefore the governing body, has responsibilities for a wide framework of activities that we don't pay much attention to except in the AG staff of the Technical Assistance Bureau. The codex alimenteris, for example; commodity committees, for example. They have a Committee on fisheries, they have a Committee on wines, they have a Committee on grains, they had a Committee on international agricultural adjustment which we'll see later turns out of be a world food security program under the aegis of the World Food Council. There are just lots of these things going on and some of them AID normally is not really all that concerned about, but Agriculture and State are. As I suggested earlier, much of the work between sessions of the Council is done by standing committees of which the Program and Plan and the Finance Committees are the main ones, and their report to the Council is in some ways the most important. It controls the budget. One of my points in describing this background again is to illustrate that while State has the responsibility for conferences, it's really usually somebody else who's doing the work on the substantive content. Now, again, and in partial answer to your question, the concern with most of these items was overtaken in '73 by the concern for the food crisis situation and what to do about it. By this time, something resembling a World Food Conference was already under consideration. So the items which were pressing on an organization devoted to food and agricultural problems in the world, and having antennae opened for a likely worldwide conference to be held on these subjects, then naturally a good deal of their attention by this time was directed to the same problems that were going to be coming up later at the Conference.

Q: *It became more macro -- focused on the world food situation than on the technical problems of individual commodities or sub-sectors?*

SKILES: Yes. And, John, just to help make this clear, that particular meeting of the Council, which, I think, was in May of '73, was the last one (other than a short session) before the FAO Conference in the Fall. If you remember, this is held only every two years and it's a big hoe-down. So, most of the attention of the Council was given to what was going to be done at the Conference. Similarly, the Conference was the last meeting prior to what was going to turn out to be the World Food Conference. (More on this later). So a great deal of the attention at the FAO Conference was paid to these same problems -- same subject matter. The second meeting of the Council that I became involved in was a split session; it met for about a week before the Conference and for a couple of days after the Conference to clean up and this was the pattern every odd year when you have two meetings of the Council and one of the Conference. And then on the even years, you generally have spring and fall meetings of the Council. The practice of the World Food Program governing body (IGC) was two meetings each year -- spring and fall.

Q: *And in all of those, you were present as a participant and/or an observer?*

SKILES: Yes. I guess on all of those, I was a member of the U.S. delegation. Observer in their terminology means something a little different - not entitled to participate, to "take the chair," but invited to attend, and sometimes scheduled to speak, as in the case of the representative of a different UN agency.

The delegations were designated in Washington and always headed by Washington people. I've mentioned the rotating chairmanship of the Intergovernmental Committee representatives, the FAO Council representative was a senior officer from the Department of Agriculture. And, so far as I know, the Secretary of Agriculture was always the chairman of the delegation to the Conference. At least that was true during the years I was there. Now, occasionally you'd have another headliner, such as the Secretary of State for purposes largely of making a speech, but the delegate was Secretary of Agriculture Butts even when Kissinger came as the President's representative to make a speech.

Q: Were those FAO Conferences pretty substantive?

SKILES: Well, I think they were. They dealt with a wide range of problems. I mentioned earlier that the real working part of the Conference was basically divided into three commissions. Meetings of those commissions were held outside of the meetings of the Plenary, of the primary delegates who were basically ministers of agriculture from throughout the world and essentially were making speeches. There wasn't much give-and-take in the Plenary, but they all had a word to say when their scheduled time came. In our case, one of the interesting features was that a re-reading of some of the speeches from a decade or so earlier indicated that it would be no mistake at all to simply read those same speeches again. The issues were pretty much the same.

Q: That is, because the real problems were genuinely still there and basically the same? Or because they babbled and said nothing?

SKILES: Because the problems were still there; the issues being faced were still pretty much the same; the emphasis on the cures didn't change much from a decade earlier to Mr. Butz's remarks that year. Throughout the whole period it was recognized that the real problems were in the developing countries and only the developing countries could bring about the cures; that the outsiders would be glad to help and even to provide interim assistance, that sort of thing, but basically the problem was simply that production was too low in too many of the underdeveloped countries and that this is what we'd have to do better at.

Q: And the developing countries, as I've understood it, it was often said that technology exists, the problem is we can't get it effectively out to farmers and have it applied.

SKILES: Well, there's a lot to that.

Q: But in those years, were any of the developing countries challenging the industrialized western countries over their highly industrialized agriculture very exploitative of the natural resource base and highly energy intensive, and destroying resources that were needed for the long run? Or was that not an issue?

SKILES: It came up from time to time, but I don't think it was as much of an issue. They were more interested in different kinds of adjustments. I'm tempted to say that rather than being concerned about our destroying resources in the industrialized countries, I think they were much more interested in transferring some of those facilities to their own area so they could take advantage of doing things that might result in higher production, even though it might also result in destruction of the common earth. But to answer the question another way, there certainly was a lot of interest in doing affirmative things to keep from spoiling the earth and the atmosphere, and straightening out the water supplies so that people could enjoy clean rather than poisonous water. Even in things like deforestation which many of those countries, as you know, are very guilty of, at least talking about the problem at the table they want to do something better about it. They don't want to see more destruction of their own forests, but a certain amount of exploitation is necessary.

Q: But to what extent was there discussion of issues like the terms of trade which forced many of those countries to over-exploit their natural resources or de-nude the land of forest when that wasn't the appropriate thing to do but the only thing that they had in the way of resources to redress their serious balance of payments difficulties? Were these issues on the table?

SKILES: Yes, very much so. And I guess partly because, to the extent that the Group of 77 countries brought up those issues in their own discussions, there was a means of getting them into the food and agriculture discussions. For example, not long before the UNGA decided to call for the World Food Conference, there was a meeting of the heads of state of the non-aligned countries in Algiers and they addressed a number of these issues and ended up calling for an international conference sponsored jointly by UNCTAD and FAO. This was one of the events taken into account and credited, alongside Secretary Kissinger's speech and application to the General Assembly, for a World Food Conference. It was credited in the resolution which was passed first by ECOSOC and then by the General Assembly as background for the conference. And then pretty much the same spokesmen were at hand during the World Food Conference and could have been at the FAO Conference. I should say, though, that I think these discussions were rather sterile because the developed countries consistently took the position that terms of trade were the province of other bodies such as GATT, rather than the agriculture bodies.

Q: Now that Conference resulted in the proposal to establish IFAD, the International Fund for Agricultural Development. What was the upshot of that?

SKILES: Well, you're getting a little bit ahead of me here, John. And I don't really know what the upshot was in terms of whether it became a very effective institution or just what its history was. It took quite a while for it to get going because its coming into existence was predicated on a certain level of financial commitment to it.

Q: At the time, what was the rationale for having such an organization which in the agricultural sphere seems to me to be so duplicative of UNDP?

SKILES: The short answer is new money, but this really forces me to get back to what I had intended to be a train of thought in running through the various governing bodies and dealing to some extent with their legislative authorities over the programs of the specific international organizations involved. Then I was going to emphasize that the work of the FAO Conference in the fall of '73, was directed in large measure to the elements providing for an upcoming World Food Conference. And I might as well go ahead with that train of thought. Bear with me because some of this procedural stuff gets pretty thick, but I guess that's a way of life with the international organizations. The FAO Conference approved much of the Director General's proposals for responding to the ECOSOC invitation for the Conference to consider the matter and report back on its deliberations. The Director General, Dr. Boerna, to my mind, was one of the good people of the earth who has sort of disappeared since leaving that office. He and his staff had done a good deal more than provide for consultations and views. He pretty well laid out the program for what he thought the results ought to be. Then the Conference dealt with these recommendations, in large measure approved his proposals and approved the use of up to a half million dollars out of FAO's capital fund, so that it (FAO) could be in a position to promise the UN not only to be able to provide facilities in Rome for a World Food Conference but to be able if necessary to finance some of the secretariat functions that would be required.

I almost have to go back a step or two, John. I referred earlier to the meeting in Algiers of the Heads of State of the Group of 77 and Secretary Kissinger's first major speech after he became Secretary of State and to his proposal to the United Nations for a World Food Conference. ECOSOC took up the proposal to recommend to the General Assembly that there be a World Food Conference in the fall of '73 but before the FAO Conference. Now, what ECOSOC did was take these various elements into account and decided to provide for a UN World Food Conference, not an FAO/UNCTAD conference as the chiefs of state of the Group of 77 had proposed. So it was within this framework that the FAO Conference was asked for its views and was then able to come back and say that they had agreed that such a conference should be called and recommended that the issue be raised to the General Assembly for decision; that inquiries had been made and that November '74 would be a good time to hold the conference and the facilities could be made available within the framework of the FAO organization in Rome at that time. So these were elements of the resolution passed first by the ECOSOC Council and then by the United Nations General Assembly at the end of '73. ECOSOC had already created a preparatory commission and members had been designated to serve on the "prepcom." A secretary general for the conference had already been selected. I don't know just when it was legal to formally announce his designation. He was an "international citizen" Egyptian by the name of Said Marai.

Q: *Former Deputy Prime Minister for Agriculture.*

SKILES: Yes. And he headed up the World Food Conference - Secretary General. He was not the chairman; they gave that title to an Italian senator. Much of the preparatory work was done by the staff and by members of the Preparatory Commission. Ambassador Ed Martin was the U.S. member and a well-schooled and articulate worker in this particular vineyard. He, of course, had set up machinery in Washington so that the input of working staff from several Washington

agencies could be taken into account with respect to the U.S. contribution to the work of the Preparatory Commission. There was a natural follow-through of this arrangement in the preparation of position papers for the U.S. delegation to the Conference. Meantime, a number of things had happened including favorable resolutions passed in the Congress, mainly at the instigation of the same senators and congressmen we are used to talking about in terms of food interest and a sort of a consortium of non-governmental groups organized by Herb Waters and other private entities who chose to become -- could we say -- special interest pleaders on this general subject. These were developed not only in the U.S. but around the world. When the conference was assembled in Rome, as I recall the figures, it was a bit over a thousand official members of delegations; 480 representatives from the NGOs, observers (and to some extent participants) from the other specialized agencies, and about fifteen hundred members of the press and media.

Q: So it was a big melee, I'm sure.

SKILES: That was quite a show.

Q: And how did you relate to that in your job? Was there something special about that as far as your job was concerned?

SKILES: Just a lot of activity, visitors, consultation until the conference itself was convened. Preparations for the Conference primarily were done elsewhere. There were special groups in Washington working on position papers and documents including the Secretary's speech -- the speeches of both Secretaries, I suppose. Ambassador Martin convened a couple of meetings of his U.S. prepcom in Rome and of course I participated in those, but most of the work was done in the States and I didn't have, personally, much of a function in that whole thing except to the extent that WFP was a part of it. A number of things looking forward to a WFP role under a very much stepped up publicity glare and greater attention to the food problems around the world, especially with respect to emergency assistance. There naturally was some necessary preparation in terms of what WFP would be able to say, what they might be able to get organized to do -- this sort of thing. This is going to sound like a digression but I meant to say earlier that my relationships with WFP were rather unique in the sense that certain parts of the organization sort of invited me into the bosom of the outfit, much more than you would have expected. I think this was possible largely because the leadership of WFP in those areas that I was most concerned about was non-American. I've often thought that if an American had been the head of the project planning and management division, for example, instead of a Canadian, that it would not have been proper for him to have me attending his weekly luncheons and sitting at his desk or worktable when they were engulfed in major planning work for the WFP itself.

Q: But aside from that, why did he do this? What's your impression as to why this was a politic thing for him to do?

SKILES: It was a practical thing for him to do. It started simply because I was a guy who had some experience in these fields, and naturally I liked to talk with him about what they were

doing. We had arrived in Rome at just about the same time, and obviously he liked to get outside views and arrive at his own judgments rather than being fully dependent on his staff.

I'm sure part of his openness was a recognition of the fact that the U.S. played such a big part in the whole program, and I assume that he assumed that my participation would provide a good measurement of what the U.S. traffic would bear, but you have to balance this against the concept of WFP as an independent international entity. In a sense, then, as with a number of outside consultants or advisors, I could be "invited in" as a person and not in an official capacity.

Q: Without large inputs of supplies of food -- surplus or not-so-surplus -- WFP couldn't have been a big force.

SKILES: Right, and, of course, the U.S. was providing about half of the WFP resources. He said to me on a number of occasions that he just wished there were knowledgeable people available from other donor countries - Canada in particular -

Q: On the same basis, that is?

SKILES: Yes, I presume so. . . The version -- now here I get on bad ground again -- but his real point was that the Canadian representative there was not somebody that you could talk with who would be helpful in either shaping their views or being able to tell them really what the reaction of their country would be concerning the development of certain proposals. She was a permanent representative "reporter."

Q: Was she a CIDA person or Ministry of Foreign Affairs of Canada or. . . remember?

SKILES: Ministry of Foreign Affairs. On the normal pattern, it would fit that she was Canada's political representative to the FAO/WFP but not somebody that you can discuss food rations or work programs with.

Q: Didn't have a technical background in the field?

SKILES: Well, I wouldn't call it technical, but right.

Q: Well, I mean an experienced background, technical in the sense of knowing how such thing operate?

SKILES: Yeah, yeah. And, for example, in '74 - the fellow's name was Hutton. George Hutton. Let me talk a little about George Hutton and then get back to the Conference. He personified the good things about working that circuit, and we became good friends outside the office. He was not an old man, younger than I anyway, even though he died of a heart problem before I left. He had been Secretary of Agriculture in one of the provinces of Canada. From Canada he'd gone to Turkey as the FAO field representative, and from Turkey had been brought to WFP as deputy manager of the resources side of the organization - the head of which was a Turk.

However, it quickly became apparent that he had broader skills and they put him in charge of the project planning and management side of the program. During '74 he took on the job of making a plan for the utilization of WFP's resources for the upcoming four-year period (in terms of project plans) and projections for the fifth and sixth years. Now, sure, this was partly in light of what they assumed to be upcoming interest in the World Food Conference, but it was more in recognition of a thrust that we and others had been making right along - that they ought to get on a realistic forward planning basis all of the likely proposed activities and get away from the spontaneous way in which projects often were developed. Primarily it was just better planning / management. This can never be done in absolute terms, of course, because conditions change, the resources had to be anticipated rather than known (however pledges were made in two-year chunks, so that far ahead they were pretty firm). The first step was to quantify the resources needed for the long-term projects, already approved, then try to estimate likely requirements for the other projects already approved. Then it came to the important part - apply to all of these a set of priorities including country and regional emphasis, the types of priority activities and so on, then set aside estimated requirements for emergency activities and this gives you a pretty good measure of requirements for the "core" and also the room for new projects, some of which could then be moved from the shelf. For all of this they had worked out on the basis of experience a scale of likely annual requirements project by project. In the first year the commodity requirements are usually quite light, then it builds up until they start to lighten as you approach phase-out or as a country takes on more and more responsibility for self-financing. Simple. Fundamental. Useful. The point is that this kind of exercise has to be "in house" but George invited me in on it and I trust that was beneficial to both of us. It is a point of maximum influence without getting into operations.

Q: So this was essentially an in-house operation?

SKILES: Yes, in this exercise they were all WFP officials or staff. A second area in which I also enjoyed extremely close working relationships concerned the Evaluation function. You may recall that this was a period when Evaluation was on the front burner in AID. This area was a little different, had a different complexion because their evaluation teams usually were made up of people from outside as well as inside. The function was headed up by a bright Britisher and I thought the staff and their way of going about it were very, very good. Better than what we were doing, but not as comprehensive in the sense of covering all the bases, because they were concentrating on food and related issues. Nevertheless I think we saw some substantial improvement in the way this function was handled, particularly with regard to timeliness and therefore usefulness. Much of the "think piece" work also came out of this shop, such as on proposals for upcoming meetings of the IGC and related bodies.

Q: Could you go back to the World Food Conference and ask ourselves what in the succeeding couple of decades has really changed as a result of that rather major address to the problems of the world's food supply? What do you think, as you think back to what they did, what decisions they made, how they viewed the food problem of that particular moment in time, and whether that made a significant difference in succeeding years?

SKILES: That's the 64 dollar question. But to get it into context, John, I think the basic concept of the World Food Conference was that it was an earnest effort to organize the political will of the world at large and of particular countries to do something about the situation which we all recognized was not good, was getting worse and was not going to be acceptable. Of course, there was a strong effort by some countries to get more assistance and to redress trade problems but by and large there was agreement that the real solutions were increased production and productivity in the undeveloped countries which really were going in the other direction. How do you redress that? I think the conference has to be looked at really in those global aspects and in that regard. You know, I mentioned earlier, that Secretary Butz could have been reading Secretary Freeman's speeches and they would have been just as fitting; and I suspect now, 20 years later, the same thing could be said. But that doesn't mean progress hasn't been made meanwhile or that some of these efforts have not borne fruit. It is worth emphasizing that the U.S. was not a laggard participant in this Conference, but was one of the leaders.

Let me sketch hurriedly, the organizational results of the Conference which passed a number of resolutions, but they were basically directed toward four points which had been identified earlier by the secretary general of the Conference. I'm exercising a little bit of editorial license here, but the four points were the constitution of a World Food Council whose task was, as a continuing body, to follow through, to find ways to keep the world's political authorities engaged in a process of doing affirmative things about the world food problem - to harness the political will. The second and third were the establishment of two main committees, a Committee on Food Security and a Committee on Food Aid Policies and Programs. The fourth was creation of a special fund, the International Fund for Agricultural Development.

The World Food Council was constituted in reasonably short order and the first head of the Secretariat - the Secretary General - was an American, Dr. John Hannah, whose reputation you already are familiar with - former president of Michigan State University and, among other things, former AID Administrator. Headquarters were in Rome and as I recall it took about another year for its first general meeting, I believe in Manila. This was the "political harnessing" factor.

The Committee on Food Security was pictured to be a standing Committee of the FAO Council that we had talked about earlier, and to a large extent was an outgrowth of a couple of major initiatives which the Director General had already taken in FAO. One of them was called international agricultural adjustment which was directed at the problem, both from a trade and production standpoint, of alleviating some of these issues in the poor countries, getting them in better position to get into the trade market as well as to provide for their own food requirements. The second had been called food security, a major element of which was the so-called "early warning system" to flag emerging food shortage situations, which until the World Food Conference hadn't been given much attention, but the idea was played up at that time. These became major functions of the Committee on Food Security. The Undertaking on World Food Security also envisaged a coordinated system of nationally held cereal reserves, but at that time there was some uncertainty as to size and to the authority of countries to pledge reserves.

The Committee on Food Aid Policies and Programs. Somewhat surprisingly, it was decided that this Committee should be a reconstitution of the governing Committee for the WFP. Instead of the Inter-Governmental Committee (IGC), it was to be called for this purpose the CFA, the Committee on Food Aid Policies and Programs. As you recall, that Committee was elected partly by the FAO Council and partly by ECOSOC so you had a tie-in, at least on the policy level, with the UN agencies involved in the post-conference activities and the framework. I think in no small measure the placement was a tribute to WFP, a recognition of its popularity and acceptability.

IFAD. The third body was directed toward increased financing for agricultural development in the developing countries, with a target figure of a billion dollars. (You recall your earlier question about the relationship to UNDP. Actually IBRD, IMF and UNDP were called on to convene a group called Consultative Group on Food Production and Investment. The IFAD was directed to new money). The Conference called for a new fund to be called IFAD, the International Fund for Agricultural Development, to be established by the UN Secretary General if and when commitments to it were sufficient as to justify its existence and provide a reasonable chance of continuity. That was done sometime later and I'm not really too familiar with what happened to IFAD. There were two or three formative meetings in Rome and I believe it was for the first of these that the AID Administrator, Dan Parker, came over to head up the U.S. working group and we had quite a time, really because of the Israeli problem. Most of the delegations were also members of the Group of 77 and they wanted to go ahead with a charter that would fence out the Israelis and, of course, the U.S. position wouldn't countenance that sort of thing. It got to be a very ticklish kind of engagement. Parker finally said to me that "We just can't get this sort of thing done in this conference environment. Isn't there something else we can set up to just concentrate on this one issue?" And I told him, "Sure." The head of WFP had a suite of offices in the FAO building, but he not only was not using them, he was out of town, so I called the Deputy and readily got permission to use the suite. So we set up headquarters there. I say "we" it was mainly Dan Parker and the Israeli representative and I, with various kinds of messengers and contact people. During the course of it, Parker had to call the White House two or three times. It worked out all right but it took the better part of a night getting some kind of a compromise which was agreeable to the two sides. This was just another example of how well the Group of 77 was kind of organized at that time.

Q: There were a lot of fora within the UN where that was one of their principal objectives -- to freeze the Israelis out.

SKILES: Right. Now, back to the list. The Food Security issue was an international undertaking on world food security, based on a coordinated system of nationally held cereal reserves, a worldwide information system, and a food shortage detection service. This is quite a bundle and it was one of the most contentious items in the whole conference. I suppose largely because of this phrase, "coordinated system of nationally held cereal reserves." That was compromise language and resulted from a long-standing effort on the part of a number of countries to internationalize food reserves and to have them held under international control -- under the control of international bodies -- rather than the national bodies from whom the

reserves were coming. As against that approach, which is not acceptable to the U.S. and Canada, among others, where the resources are held in private hands and the best you can do is agree to a system where the reserves can be -- I can't use the word pledged -- but at least you can give pretty strong indications that they are going to be available.

Q: Yeah, it was pretty clear that the U.S. was never going to allow a massive reserve to be held internationally.

SKILES: We never have and I guess that hasn't changed a bit. It's an idea that's been around for a long time, John, and has been debated up and down, and from our viewpoint, it doesn't fit. Now, one of the reasons it doesn't, and this is the second of the major items that I referred to earlier that I said didn't get resolved and couldn't and wouldn't, is the conflict between, on the one hand, trade managed by private interests with some overlay of government agreement and accommodation, as against trade primarily controlled by government and largely envisaged by a number of the Group of 77 who would like to internationalize that function as well. The UN Conference on Trade and Development, I guess, meant what it said. And in that sense, that organization, I'm sure has always felt frustrated because our fall back position is always that if this is a trade problem, then it's a matter of trade negotiations -- GATT and so on -- and we're not going to touch it in the agriculture fora. The Conference compromise on this one was that UNCTAD through ECOSOC should report periodically to the World Food Council on progress to increase prospects for access to international food markets of exports by developing countries, and that GATT also should provide relevant information to the Council.

The food aid resolutions also were plagued by the reserves problem and by restraints on the major exporting countries to make firm commitments. The resolution provided for, on a three-year forward plan basis, food aid at a minimum level of 10 million tons of cereals each year. How much is that? Well, in some years the U.S. alone had provided nearly that much, but in the period at issue we were down to about half that - so it depends. Subsequently a number of changes were made in our legislation. Grant aid and the amounts channeled through the voluntary agencies were increased and considerable changes were made in regard to reserves - but that is really another story. A crux of the problem for the U.S. is that we could rather comfortably arrange considerable food exports on terms more favorable than commercial terms when production is up and prices are down, but when shortages develop and prices are up as they were in '74-'75 when the commercial trade can find a market and our ability to utilize Title I (sales on favorable terms) of PL480 is constrained. Also we get less commodities for the money for the grant programs so they either go down in commodity terms or we have to have larger budgets.

Let me first sketch in some of the other actions of the Conference then come back to the part of your question about whether it made a significant difference in succeeding years; or effectiveness.

There were a number of other recommendations, such as what to do about the fertilizer shortage, the Consultative Group on Food Production and Investment in Developing Countries,

strengthening rural and agricultural development programs, scientific water planning, women in development particularly in regard to food and nutrition, pesticides, seeds, plants and animal diseases, research. The fertilizer problem was most pressing and the recommendation called for several organizations, mainly UNIDO (industrial development) and IBRD to concentrate more on this issue for the longer term, and for FAO to follow up and continue for another year or two the emergency program (International Emergency Fertilizer Supply Scheme) which we had helped them get started a bit earlier. There were reasonable agreements on what ought to be done in these fields, and therefore useful resolutions.

Well, these in effect were the guidelines and the proposed machinery laid down by the World Food Conference, but what you were asking about additionally was the effectiveness of implementation, and I'm afraid that I'm not in a very good position to provide very definitive answers. There certainly are indications that great improvements have been made in some areas of the world, large chunks of real estate have been removed from the lists of food aid recipients, but the real tests relate to the measure of political awareness and commitment, and to the increases in production, productivity and distribution in a large number of developing countries. We do know, of course, that the situation got a lot better in some areas and a lot worse in others. In any event I think the problem is timeless and continuous. Utopia never will be achieved.

After I returned from Rome I spent a considerable amount of time working on an interagency task force which authored "New Directions for U.S. Food Assistance: A Report of the Special Task Force on the Operation of Public Law 480." This was a report of the Secretary of Agriculture to the Congress in response to a request in the legislation of 1977 and it considered a wide range of what we thought would be improvements in the U.S. participation in this worldwide phenomenon. The Act of 1975 called on the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference and I must say that a number of improvements were made both before and after 1978, which was the time of the task force deliberations. Areas changes in the guidelines had been made, with a big shift to the least developed countries, particularly in Africa. Security food reserves have been authorized and created and we committed to a special reserve to meet emergency food needs in developing countries to supplement wheat availability under the normal terms of PL480. Food aid has been authorized on a multi-year basis which avoids some of the advance planning/commitment problems. WFP's resources have been increased considerably, not so much from the U.S. as from other donors. So if you can generalize from the U.S. experience, I think it is safe to say that facilities are in place to greatly minimize the problems, but how much credit should go to the Conference is a matter for speculation.

Incidentally, it was about at this time that sufficient pledges had been made and IFAD came into existence, and the original billion dollars was committed to projects and programs in the first three years. One of the remarkable features of the funding is that the OPEC countries provided over 40 percent of the total, which was a bit over a billion dollars, and as a major group contributor I think this was a first for them.

After I retired, this would have been in 1979-80, five years after the World Food Conference, I worked on the Presidential Commission on World Hunger, chaired by Ambassador Linowitz, which was looking at pretty much the same issues -- pretty much the same problems. It turned out a very good report which went nowhere. And the reason was that it just came at the wrong time. The attention then was on the problem in Iran (the hostages were about to be released) and other things like that and it just never got to be the public relations force that it was intended to be. Nevertheless, I believe it demonstrated the increased awareness and attention that was given to the world food problem. One of its conclusions was that despite some encouraging progress after the World Food Conference, about one of eight people on earth is still malnourished and the world hunger problem is getting worse, not better.

Q: Well, we're perhaps about to run out of tape here, but we do have a few more minutes. Do you . . .

SKILES: One thing I thought I must go back to is something that we skipped over lightly a while ago and that is that much of my time during the first couple of years there was spent in responding to some of the problems which could only be handled with special programs -- some short-term, some longer-term -- and which if FAO and WFP were to be instrumental in handling them, called for some shift in organizational alliances which is a clumsy way of saying that by and large they called for new but small institutions within those two frameworks. The Sahel was probably the best and first example of the need. The guys in Washington, particularly in the African Bureau of AID, had been working hard on this one, which was recognized not only as a very challenging short-term problem brought on by the drought, but also as a longer-term challenge to try to improve the situation in the Sahel area. We had funding for a lot of activity that we weren't too well staffed to carry out unilaterally and, in any event, that had never been the intent. The Bureau people were mighty interested, particularly since this is a largely rural area and largely agricultural related, in getting help from FAO and WFP to carry out emergency and eventually longer term activities. The original idea had been to get FAO to coordinate the information from the countries and the assistance of the various donors, but Dr. Boerna soon decided that they were not really equipped to do this (partly because the communications facilities just weren't good enough at that time) so they would be the coordinator for the UN family and would try to help with the broader job. FAO set up OSRO - the Office of Sahel Relief Operations - and AID seconded a man to help them get this central unit in operation. In effect we hired them. A trust fund was set up so they could procure or contract some of the things we wanted done, and could do it for other donors as well. You might say, "shades of joint funds," and that is exactly what it was. Various contributions were funneled through OSRO in that '73-75 period, such as Health (UNICEF/WHO and the League of Red Cross Societies), seed purchases and distribution, transport including air lifts, storage, fumigation of cereals, grain storage, food crop protection and so on. The U.S. put in 4.5 million dollars (essentially non-commodity costs), starting with a \$300,000 check which Maury Williams brought out not long after the Deputy Director General and I had signed a Joint Fund Agreement. Maury had been designated the President's Coordinator for Disaster Relief. Tim McClure was head of the Office of Disaster Relief in AID and was in Rome almost before I got settled down and he was instrumental in the formation of OSRO as well as organizing a supply point at an old army base

(still being used by the U.S. military) north of Rome. Tents and various emergency supplies were stored there as a transit point. He also worked very closely with the UN disaster relief people in Geneva. Incidentally, OSRO later kept its initials, but changed the "s" from Sahel to Special; stayed operational.

I think we've mentioned the International Fertilizer Supply Scheme. This was organized a little later, but stemmed from the problems of 1972-73 when the least developed countries and the Most Seriously Affected (MSAs), to use the UN term, were particularly hard hit with the supply shortage and skyrocketing prices stemming from the oil crisis. A special office was set up in FAO to bird-dog this one, to elicit contributions, help arrange fertilizer supplies, and so on.

WFP had emergency programs of its own, sometimes in the same areas. I remember Dr. Aquino, the head of WFP, saying that they had been doing emergency feeding in Mauritania almost continuously since 1968 and now the drought had spread throughout the Sahel. It wasn't only the Sahel of course, and we encouraged WFP to set up a small centralized Emergency office to be a nerve center for activities everywhere, instead of leaving that function in the regional offices. That one took a while, but meantime WFP provided a lot of help to OSRO and to us and to others in the field. I think of the Netherlands who wanted to make a special food contribution but didn't want to set up the machinery to handle the physical job themselves and they asked WFP to take care of it. That special office greatly facilitated our contact/coordination work. These examples sort of reflect the signs of the times, the sorts of special things I was working on that were time-consuming but rewarding and they helped make life interesting.

Q: That's pretty much the history then of what you want to say about the emergency -- addressed to the emergency problems of '73-'74?

SKILES: I think so and I've probably said about enough about the whole of the legislative function too. Those are laborious exercises; they sometimes have big delegations and masses of paper. For the FAO Conference in particular, the U.S. normally had a fairly strong Congressional representation attached to the delegation. During his lifetime, Senator Humphrey usually came when he could, and a number of his cronies. I remember his participation with some interest for a couple of reasons. One is that I was assigned as his control officer or backstop; I think it was for the first FAO Conference in the fall of '73, that he came with the idea that it would be good if he could just sit down and have a chat with the Chinese Minister of Agriculture about soybeans. Well, I had a little trouble with that delegation earlier trying to set up meetings, especially those involving the good senator but also the head of the delegation. This was a Republican delegation. Humphrey and a couple of others were having a little dispute with Secretary Butz at that time and the head of the delegation, pending Butz's arrival, was a man who wasn't about to let these damn Democrats get the headlines from anything that went on in Rome as far as he was concerned. The particular case in which the problem arose first was that Joel Bernstein was coming out from AID/Washington and he had asked me to organize a breakfast meeting with the senators and a few other selected individuals there and I reported in the normal morning briefing session that I intended to set up this breakfast that Bernstein had requested. The chairman asked me to hold off on it for a little while. Well, this went on for

some days. Each morning he would say, "I'm not quite ready." So finally, it was getting up against the gun, and one morning I just had to say, "If Bernstein's going to have this breakfast, it has to be laid on. So I've made tentative arrangements at the hotel to go ahead and do it and if you really don't object then we'll go ahead on the basis of this schedule and I'll explain to Bernstein that you're tied up with these other things and, while he's invited you, I'm sure it's not going to hurt feelings if you don't attend." I guess he felt he wasn't really quite in a position to object to it on that basis so we went ahead with the breakfast. Well, when Humphrey told me that he wanted to have a chat with the Minister of Agriculture for China, I could just picture the problems if I brought this up in the delegation and yet I realized that I shouldn't really be doing such things without the official delegation head being at least informed about it. So this was a bit of a dilemma but what I did actually is I put the dilemma on Dr. Boerna's platter and he said he would be delighted to take me out of this problem and the room number is such and such and what time do you want to do it? He thought it was a great idea to bring them together informally so he set it up and as I recall there were just four of us plus an FAO interpreter in a small room -

Q: Do it under a different auspices?

SKILES: Sure. Dr. Boerna made the contacts and the arrangements. That was a delightful little meeting. Humphrey was just a master at that sort of thing. He carefully explained that he was not there speaking as a U.S. representative, he was speaking for himself. He was a senator who sometimes people paid attention to and more often they didn't. But he had had for years a great interest in this food problem worldwide. "In our country we're doing something on soybeans and have made considerable progress on it since the beginning of World War II but we know that you people have had it much longer and probably know a lot more than we do about it and I wanted to pick your brains." He ended up by saying that, "I hope you'll be able to come to the U.S. one of these days. I'm delighted that our countries are officially speaking to each other now and that the President is making a visit. I hope you'll be able to come to the United States and see some real good farms." I doubt that he ever did.

Q: Okay. Does that cover the Rome front?

SKILES: I think so, but as long as I'm name dropping, one other little tidbit I might tell you along the lines of the emergency activities. Another interesting experience comes to mind - that is when they had a very bad earthquake in northern Italy. It didn't happen until '76, I guess. Vice President Rockefeller came out to "show the flag" at the scene of the earthquake and the AID Administrator, Dan Parker, was to arrive a day or two ahead of time and meet the Vice President on arrival. Well, as you know, I had nothing to do with Italy; I was there to work with the international agencies, but the Minister of Economic Affairs was a man who had been our economic man in the Embassy in Ceylon when I was out there. He had the responsibility in the Rome Embassy for getting up a task force to handle U.S. backstopping in connection with the Italian Government and military, and while I had consulted with the task force a little I really hadn't much to do with it but when the Minister found that the Vice President and Parker were coming into North Italy nothing would do other than that I get out to the airbase near Rome and

have a couple of the military guys fly me up to the base in Northern Italy near the scene of the quake and meet with Mr. Parker and be ready to help receive the Vice President, so of course I did. Spent several interesting days up there accompanying Parker for whom, naturally, some pretty impressive arrangements had been made. When you get him out of a business suit Parker is a delightful guy. He knew Italy better than I did. He'd been a race car driver before he got into the AID business and participated, as I recall, in the Monte Carlo race a couple of times as well as an Italian event called the Cinque Mille and toured all over Italy as a driver.

Q: *All that and fountain pens too.*

SKILES: Yes. Here's one of his fountain pens right here. Good one, too.

Concluding observations

Q: *I'd like you to give me any general comments you have about your career, your observations about the way it worked, the way the agency functioned, and an overall sense what you think were specially useful activities or useful ways of doing business, or things that seemed to fall on their face.*

SKILES: All right. This might be a little difficult to do. The programs and the agencies had a number of faces and like the faces of Dorian Gray they changed from time to time. The economic recovery program in Europe, including the fringe countries of Greece and Turkey though they started as separate programs, is generally credited with doing a fine constructive job at what it set out to do, but of course personally I had a lot more effective role in the later agencies. Perhaps it is largely nostalgia, but it has always seemed to me that the old TCA was a fine program. Perhaps it was because our aims were lofty. It was primarily a people's program, a matter of getting Americans into the lesser developed countries to work at education and institution building. Education in the sense of practical agriculturists working with local people to try to improve the means of production and distribution - extension services getting information to the farmers, research into local needs and education or training for rural improvement. Influencing educational systems and helping make them more useful for the general population of the particular area, and providing more and better opportunities for children to go to school. Better knowledge of health problems and delivery systems to help overcome them. These were fairly modest programs of helping improve the possibilities for people to pull themselves up by their own boot straps, to improve the lot of the people, but also to channel changes which people were demanding into directions that would meet their aspirations and keep them aligned with peaceful forces.

This is not the picture that most people have of the AID program nor is it the one I'd like to leave. It doesn't give sufficient recognition to the larger, more prevalent and probably better known activities undertaken largely for political or security reasons. In some ways these are the programs we have done best. They have moved large quantities of goods, helped stabilize economies, made up for balance of payments or foreign exchange shortages, helped concentrate recipient country attention on constructive policies and helped development progress, but I'm

afraid their reputation for success or failure depends really on whether the political or security objectives were obtained.

In some ways the biggest change was way back in 1953 when a number of different pieces were put together in the Mutual Security Agency / Foreign Operations Administration. In terms of your original question about career views, I suppose this is the period of the greatest change from the down-on-the-farm view of TCA to the country-oriented and world view of the larger agencies. It was much more of a “big picture” approach and certainly not less interesting. Whether it works better depends, I suppose, on one's view of the proper role of the U.S. in the world. To an isolationist, of course, it is all wrong, and to a One Worlder we haven't done nearly enough. Most of us are in between.

Now I'm going to run into a little trouble, because as the agency changed, as the world changed, most of us became more concerned with political-security types of problems and programs.

The trouble I run into is that I think the success or failure of programs of this type has to be judged from the political perspective. South Korea and Taiwan were big successes; Vietnam, in fact much of South East Asia smashing failures. U.S. objectives were largely obtained in the former, and not in the latter. I don't think the differences in the types of programs had much to do with the success or failure - it is the local conditions, and the force of local political will that makes the difference. Change is there, and if we fail to harness it, or if we back the wrong horse then the programs are not going to be outstanding successes. One of the sad things is that size is nearly always involved in these situations so whether we call it defense support or supporting assistance or balance of payments support they are likely to be costly. Secondly, when the effort or the objective is to make the country strong - economically and politically and sometimes militarily - then very often the “people's” objectives are diminished. I suppose that is one reason that the smaller and people-directed programs always have appealed to me, but they also are much more difficult to do.

The Middle East - the Arab States and Israel require a separate mention. People will argue forever about whether the U.S. did the right thing in helping the Jews establish a homeland in that hotly contested area where we also try to maintain good relations with a far greater number of Muslims and other religious/tribal/national factors. We can't buy peace when frictions are so great and ambitions so contradictory, but we may be able to help establish conditions in which the local contenders have a greater stake in peace than in war. The absence of war, while in a sense a negative, at the same time is a desirable and measurable reward. As to the program in Israel, it probably was one of the most effective and efficient anywhere.

Two other points, then I'd like to come back to a final observation about technical assistance. Both of those points relate specifically to my last five years with the agency, but one goes much further back. Call it Food for Peace, War on Hunger, or just a sensible way to make valuable use of an essentially free U.S. resource (especially in the early years) - our surplus agricultural production - to help feed people and help finance development progress; this is a mighty satisfying experience. The other is the increased internationalization of the assistance programs.

This postulates another unprovable assertion, but it just may be a better way to go. I can't say it is without problems or that is a more efficient way of doing business, but it does improve burden sharing and in some cases the recipient nations find it more acceptable; they are more a member of the club, more of a partnership.

Now if I could just finish by a last word about technical cooperation. To the extent that program was allowed to operate I think it was a very good one and contributed a good deal. TCA Washington was relatively small and new, which is a great advantage. Operationally we had a good deal of freedom or latitude and I basically was working directly with getting field programs underway, which is a very challenging and satisfying function. The program was not intended to be and could not be by itself a means of overcoming or avoiding political differences which have exploded in many of the places we worked. These have usually had comparatively local roots stemming from local animosities and rivalries - long-standing disputes which no amount of outside assistance can obliterate, but if it can get the various factions working together, to make common cause in the common good, then progress is attainable and I think we've seen progress.

Egg on our face? Sure. When you look at many of the countries where we worked, whether it's Afghanistan, Iran, Ceylon, Kenya...

Q: *Or Ethiopia?*

SKILES: Ethiopia, or Lebanon. It doesn't look like we changed the world. At least we didn't make it entirely safe, and there are a lot of people who are not better off. But I think we have to ask ourselves what it would have been like had we not made those efforts, and in some cases I'm sure it has made a big difference. In others, it simply postponed the inevitable for a decade or two. But even that can be worthwhile. It's a shame when things go wrong as they did in Iran. It shouldn't have happened in Iran and in my opinion some of the good elements were in place -- or being put in place. Of course this is only a partial view, but the Shah was trying to lead the "white revolution" to bring the country into the 20th century and he had always told us that a real revolution could never come about in that area until he was able to break the stranglehold of the mullahs.

Q: *The what?*

SKILES: The mullahs, the religious leaders, and for the most part political and social reactionaries. As it turned out, of course, he didn't break it and he was right, the revolution went the other way. The "white revolution," that he was sponsoring was dead, and I can't say the world has been the better for it. Unfortunately those setbacks have taken place in lots of places, but I don't think we should say Point 4 was a failure because it failed to head off some of those developments. .

Q: *Would you like to comment on the comparative importance of being a good soldier in the cold war as opposed to being a serious proponent and exponent of development theses?*

SKILES: Yes, I'm not sure that they are completely different considerations. Just as you could put the development label on the Point 4 kind of activities, you could consider that development was the object in many of the things that we were doing during the Cold War. Assistance leads to development and development - tangible evidence that life can be better - we thought would lead to closer and friendlier ties with the West rather than the Soviet bloc. Individual freedom is a precious commodity.

Q: *As an element of our Cold War strategy?*

SKILES: Yeah. Turkey, for example. We may have done a lot of foolish things in Turkey and we spent an awful lot of money there. A lot of it was straight out-and-out security-oriented. But we've put a lot of effort and treasure in on the economic side and hopefully the political situation will not get so bad that Turkey will not continue to be the gainer.

Q: *Yeah, but right now, it looks like Turkey may go the way of Iran.*

SKILES: And if it does, there goes that coin again (but I'm not sure the developments in Turkey have the same anti-Western flavor as in Iran), and I would be in the position of saying, "Well, it's at least worthwhile that it didn't happen forty years sooner," but it's a shame to lose the major target which is free and independent countries standing on their own, outside the framework of the Soviet Union and hopefully friendly to the U.S.

Q: *And always, I think, despite the fact that I am fully aware of my role of having been an instrument of the Cold War, I felt it was very important, and I think we did significantly work toward the improvement of the lot of the majority of people in the countries where I worked. Did you feel that?*

SKILES: That would be my point that even if it's a tool or when it's a tool rather than the objective, it's still the right thing to do. I do think it is. And, John, this has been a history-making endeavor. When else has a nation tried to do so much for the world by sharing?

Q: *Do you feel that, by and large, we did sensible, strategically useful and morally correct things?*

SKILES: I might want to think on that one a while. But, just offhand, the answer is "yes," but it seems to me that we have made one silly little, basic mistake from time to time, John, that colors a really thoughtful answer to that question. And that is that we have neglected to take into account or having taken into account have gone in anyway in places where the serious arguments -- the serious friction -- is the localized friction. Perhaps the primary example is Israel, and who is to judge whether championing the Israel cause when it hurts the Arabs is morally correct? The enemy is the guy next door. In Turkey, the enemy is the Greek. In Greece, the enemy is the Turk or the Cypriot. This is true in most cases that you can think of and it's not only the Azerbaijanis and their neighbors that flare up, it happens everywhere. The Turks were interested, certainly the Iranians were interested in beefing up their security arrangements not because they

shared our view of the danger of the Soviets but because of internal dissension or they were afraid of the Iraqis or the Syrians or even the Kurds which represent a more localized friction of somewhat the same order. The Greeks and Turks are a little bit in between, that is, have a bit of both. But I would say that the motivation on both of their parts is more against each other than it is either sympathy for the U.S. competition with the Eastern bloc or out of fear of being taken over by them. Now, if you look around the world, this sort of thing has happened time after time and it's the local issues that cause the most serious problems, especially in Africa. When we enter in, whether intended or not, our help usually strengthens one side or another, so whether this is morally correct or even strategically useful is hard for us to say.

Q: Yeah. And so often these local issues are not just issues between countries but between groups within countries in Africa.

SKILES: Usually. Now, back on the main theme, again it seems to me that some of these labels are rather useful from time to time for purposes of shorthanding the English language but they're also misleading. Technical cooperation is development.

Q: Oh, yeah, I would certainly agree.

SKILES: These things weave in and out of each other and the fact that we're involved in an area primarily for security reasons doesn't diminish at all the fact that we were are trying to do good works on the development side. I referred to this earlier, but what's always struck me about the support in the U.S. for foreign aid is that basically there isn't any. Foreign aid is a label that nobody likes but when you talk with the people in Idaho about the county agents going to Afghanistan to help them improve their agricultural system, they're excited, you know. This they understand; they've got a feel for it. But sending five billion dollars worth of material to some country in the Middle East . . .

Q: What I think the body politic in this country fails to realize is that we can, if we give serious attention to it, head off serious problems that would cost us a lot of money and lives, by becoming more willing to take the long view and work at the resolution of problems in the world before they become serious, acute, military problems; by being involved diplomatically and economically through activities that would benefit the people of those countries where there are problems and that this is really, in the long run, the cheaper way to do business.

SKILES: Yes. John, I think that's been part of our doctrine from the word go. It's just unfortunate that not everywhere you turn the benefit is well-demonstrated; it's simply because the world being what it is, these things are not going to work all the time.

Q: Well, and you can't always predict the outcome but it's a lot cheaper to spend a hundred million dollars trying to deal with a problem that hasn't yet become flamingly acute than to spend ten billion dollars later fighting a war.

SKILES: Right. Another element of the same thing, I would add, trying to help the good guys do the right things over time so that these bad things don't happen. Unfortunately the good guys don't always stay in forever, but when they don't, that's when I think we have to retreat usually to the second position and that is, well, if it happens now, it's a whole lot better than had it happened fifteen years -- twenty years ago. In other words, helping extend the periods between war is a very worthwhile undertaking in itself, and basically that has worked since World War II - the longest period in modern history without a major general war.

Q: As you think back on your career, are there things that you think the agency could have done better to make more effective use of your talents and your input in this sphere?

SKILES: Oh, I haven't reflected much on that, no. I generally had a fair amount of choice in doing what I wanted to do. I would say this, the big exception was probably when I came back from Kenya in '62. This was a period of change in which the old field hands were not very popular, and changes in the program that I wasn't at all comfortable with such as bringing the development loan fund complex into the African programs at that stage of African development. And I guess I ought to conclude from that that the time spent in PPC, while it sounds good on paper (it looks good), I'm not sure it made all that much of a contribution. If I made a real contribution there, it was a sort of negative one. What I ran into, John, was a concept that development is resource transfers and it was kind of fun being a hair shirt for a long time and arguing that that's not the end all, that you've got to have qualitative changes as well as quantitative. What you've got to get is institutional improvement, better people, better institutions, and not just foreign aid, not just a transfer of resources.

Q: Right.

SKILES: The security element I guess we've gotten into. One of my longtime bits of unhappiness over that is the way things tend to get mixed up when we get into security situations. We're certainly not carrying out the "just TC" programs, we're trying to concentrate on development but never quite able to and we end up, I think, bastardizing a lot of things that we'd like to hold dear. I don't think I mentioned earlier that I remember coming back from Vietnam in '65 with a jaundiced view about the program we were trying to carry out and I tried to tell Mr. Bell that this was not in our report because our assignment was somewhat different, but there are some things about the program - especially the commodity import programs - that don't make much sense. That's about as far as I got. He said, "I don't want to hear anything about the program. You guys were sent there to tell me how to organize it and set it up better to carry out the job. I don't want to hear what the job ought to be." And I said, "Well, you wouldn't want us to talk structure and organization without knowing what the hell the mission is, would you? Now, Mr. Bell, there are a few things I'd like to say about the program." And he said, "Vic, I just can't listen," and he said it in such a way that I could only conclude that he, too, was getting his marching orders from somewhere else.

Q: Of course.

SKILES: He didn't have much latitude. But some elements of that program were crazy.

Q: *Oh, I'm sure, absolutely sure. And a lot of things were being done by AID people that had nothing to do with what AID's charter was all about. I, on a few occasions in my career, I've bucked those things, and you know, it gets you a bloody nose.*

SKILES: Another problem that I've run into a number of places and always hate to talk about - it's demeaning to do so -- but some way or another there just doesn't seem to be a way of working out relationships with our State Department counterparts that can continue on an even keel and allow us both to do our business. And I suppose it's partly by definition. State's charter is everything and everybody. So we are their business. For the most part I've enjoyed the relationships, particularly in Washington, but I confess it has not always been constructive.

Q: *Well, and I think there's a fundamental clash because, my impression is that if there's anything that characterizes State's mission and State's people, it is that stability above all else is to be desired whereas what we were concerned with was clearly often counter to stability because we were seeking change.*

Okay, should we wrap it up there? Or are there other thoughts you'd like to put on the record?

SKILES: Reorganization I touched on. We've had far too many, and not always for the best of reasons. I'm tempted to say that a lot of it's phony, John, we make up new thrusts, or new dimensions, or new emphases, often because we have to have a somewhat new story to tell our Congressional sponsors. The dislocation and loss of efficiency it causes within the agency is just tremendous. It's a shame we can't avoid it but I guess we can't.

A corollary is that the legislation seems to stack one layer on another, and it gets almost so complicated as to defy understanding.

Q: *Sure, that's true.*

SKILES: But it's been a good life. I stayed with it much longer than I ever anticipated that I would but it was a field that I was very interested in, I thought we were doing important work that was good for our country and good for the world, and I'm delighted to have had a hand in it.

Q: *It's a good experience, hm?*

SKILES: Yes - great. Though it turns out to be a period, even if you don't count Germany, of almost 30 years. Sometimes disappointing, but interesting, exhilarating and hopefully I made a contribution. Glad I did it.

Q: *Good. Okay, Vic. Thank you very much for doing this for us. I think that it's a good record.*