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PETER M. CODY

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INTERVIEW

Q: Peter Cody has had a very long and distinguished career in the Foreign Aid Program. I would say his career is more extensive than anyone else that I know of, unless it be James Grant. Peter is not only a former colleague of mine and a present-day colleague in some projects, but he is a close friend.

Peter, why don't we begin at the beginning. How did you come about being in the government altogether?

CODY: When I graduated from the university and finished graduate school, I received my M.A. and had done all my courses and exams, etc., for the Ph.D. and had only the dissertation to finish.

Q: In a rather unknown school named Yale University.

CODY: Yale University. I was a true-blue. I went to undergraduate, graduate school, and taught there in order to earn a stipend, help pay for my graduate studies. Then I began looking for a job. Graduate students in economics do one of two things, generally. Most of them go to academia. Of those who don't, the bulk of them go into the government. I looked around in both places.

Q: This was which year?

CODY: 1949, actually. In May of '49 I came to Washington to look around and saw people at the Federal Reserve, and I went over and saw people at whatever AID was called in 1949. But at that point I was fairly young, twenty-three, and didn't evoke a lot of interest from the

AID people. I did talk to some people in the labor section who were mildly interested, but nothing came out of it. So a year later, after having done a year's work on my dissertation at New Haven, I then came to Washington to work for the Federal Reserve.

Q: What was the dissertation on, Peter?

CODY: After I came to the Federal Reserve, I changed it, actually. Initially it was on "The Role of Labor in an Oligarchical Market" such as the auto industry. But I didn't seem to find the right answers. So after I came to the Federal Reserve and I was working on a project, I changed the dissertation to "Measurement of Industrial Production for the United States," because that's basically what I was working on at the Federal Reserve.

But I still had a desire to work overseas. The idea fascinated me. This was the time when the Marshall Plan was in full blast. In fact, my father was connected with the Marshall Plan through the USIS, or whatever it was then called, side of it in those days. He was the liaison person stationed in Paris to the Marshall Plan for the Information Service.

Q: What was your father's name?

CODY: Morrill Cody. It used to be Edgar Morrill Cody. He changed it once to E. Morrill Cody, but too many people said Immoral Cody, so he dropped the E. [Laughter]

I stayed four years at the Federal Reserve. The Federal Reserve is a great place to work and a great place to be from. I think these days probably it's a better place to be working, but in those days it was the kind of place, where when ever you went to an interagency meeting, you were the lowest paid person at the meeting. You were probably two grades less than anybody else in the room, which said something about the competence of the FRB people and their professionalism. It didn't say very much about the pay scale.

I remember one time there was an ad or some sort of an announcement that AID was looking for 400 people in different fields, or FOA, I think it was then, Foreign Operations Administration. So I called over there and I talked to a Mrs. Mary Weiss. She was the personnel person. We had a great interview over the phone. She said, "Come over and see me," and sounded enthusiastic, and I went over and saw her. When I entered her office her face fell. She said, "Oh, I thought you were older than you are."

I said, "Mrs. Weiss, I told you over the telephone how old I was." I guess I was twenty-eight then.

She said, "Well, we don't really have anything at the moment."

So every month I would call Mrs. Weiss up and I'd say, "Mrs. Weiss, I'm a month older." After this went on for six months or so, finally I received a call saying there was a job in Haiti to be a national income advisor to the Minister of Finance. One of the requirements

was that you spoke French. She asked me if I spoke French. I said, "I spoke it once. I spoke it before I spoke English, but I don't speak it now."

She said, "Oh, well, if you spoke it as a child, you'll have no problem getting it back."

So I said, "Okay." But in the process of being considered or processed or whatever they were doing, they government changed in Haiti, or at least they changed the Minister of Finance, and the new minister said he didn't need a foreign advisor.

At that point, you, Mel Spector, showed up from Mexico saying that they had a position in Mexico as the program economist, and was I interested, and I obviously said yes. The answer from the personnel people was, "Well, Cody already speaks French, so learning Spanish is going to be no problem." So off I went to Mexico; going to my first overseas post, I went there in my car.

Q: This was in December of 1954.

CODY: December of 1954. I arrived there, found Mexico a very pleasurable place to be, so pleasurable that in the course of my almost three years there, I met and married my wife, whose name is Rosa Maria Alatorre. She worked at the embassy where USAID was located, or where the AID mission was located, and that's how I met her.

The AID mission in Mexico was called the Office of Technical Assistance. In most other places it was called the operations mission. But Mexicans wouldn't have that. "Only we Mexicans operate in Mexico."

This was an interesting experience. I was the economist in the sense that I wrote the economic sections of various papers that we had to produce. To a large extent, I was the program officer, because I think you, Mel, had the title of program officer, but you really functioned as the deputy director.

Q: And I later became the deputy director.

CODY: You became the deputy director. Then after I left, you became the acting director for a long period of time. So I functioned as the program officer. We had a varied program. It wasn't very large. I remember one of the assignments that I had was to write a little brochure. I remember being impressed, looking at the brochure, since we had programs in agriculture, health, industry, labor, public administration, a variety of things; it looked as if with a million and a half dollars we were solving all of Mexico's problems. We had a number of individual projects, some of them quite good, some of them weren't, but even if they had all been good, we were no more than a drop in the bucket. This was true though some of the projects and what came after them, are still there and still functioning, a rehabilitation center for the handicapped, for instance and I think maybe a school for training of operators of trucks and heavy equipment. In and of themselves, they were good

projects. Though they had minimum effect on the total economic social and economic development situation.

Q: I believe the productivity activities are still going on, too.

CODY: Looking back I still believe some of the projects were quite good. The education and agricultural projects, less so. I think the Industrial Research Center that The Armour Institute was running is still going on. In fact, there were a couple of projects there which were really the prototypes of what projects ought to be.

Q: That's interesting.

CODY: That Research Center is one, if I recall. It started out as being run under a contract from Armour, (Illinois Tech), but it was really The Armour Institute, in which the director was an American from the technical institute. Then subsequently you had a shift where he became the co-director along with his Mexican counterpart, who had been his understudy. Deschamps, I think his name was. Then they became co-directors. Then Deschamps became the director, and head of the Armour group, a two-man group, became his advisor but still there on a permanent basis. Then I think the permanent US advisor returned to the US and there were just occasional visits from US technicians. One of the things the Institute did was to discover a patent that they sold to Quaker Oats related to making tortilla flour. So they had some income which helped. Anyway, they moved from being a U.S. creation to being a 100 percent Mexican creation, and they came to it in various stages. They still, with their own money, I believe occasionally hire an technician from Armour or elsewhere, a food industry specialist to come down and help them.

The other project which was a prototype was the physical vocational rehabilitation project, again, a project that was started by an American technician, a fellow named David Amato, eventually turned into a project which is 100 percent Mexican. Again, it was a fortuitous circumstance. The owner of the largest newspaper and a number of other interests in Mexico, Offarrel, was in an automobile accident and lost a leg. The U.S. technician helped him go to the Oakland Naval Rehabilitation Center and be fitted for an artificial leg. He was very pleased and he supported this institution. So in both cases there were sources of finance which continued the operation and helped to make it successful. These were two prototypes of projects that worked very well. The rehabilitation effort also had the advantage that this is the kind of project which pulled heartstrings and makes getting money a little easier. David Amato was quite good at pulling heartstrings, and the heartstrings he usually started with were those of the First Lady in whatever country he was working. He came to El Salvador one time and did the same thing.

Q: In Mexico we had servicios, and I believe the productivity program was a type of servicio. I think it was a trust agreement. Would you speak a little bit about the servicio and the different forms it took in Mexico? Tell us what you think about the whole servicio concept.

CODY: The *servicio* concept in Mexico didn't quite have the major effect that it did in certain other Latin American countries. The intention was to set up an organization which would be independent, to a degree, of the bureaucracy of both countries. Both countries would put a sum of money into this organization--generally the U.S. put more--and then the people who ran the *servicio* would have more leeway as to how to spend the money and less bureaucratic hindrance in spending. They still had to be accountable for the funds. It wasn't a way of having a slush fund. They still had to show what they did with it and explain what they did with it, but the procedures were considerably lessened.

In the case of Mexico, when I was there, the only *servicio* was the health *servicio*. It was really the Division of Experimental Studies in the Health Ministry of Mexico. Therefore, it gave that department the latitude to do things which an old-line government ministry wouldn't be allowed to do. That's why it was called experimental. I don't know that it really lived up to this potential. There were some good people there. It did some interesting things in melding anthropological studies and public health services, discovering, for example, that one of the resistances to malaria programs was that it brought out the scorpions, and people didn't really know that. So that was one of the reasons why people in the countryside did not like you spraying DDT around. It would kill the mosquito, but it just made the scorpions mad. It gave a dimension that a regular established ministry wouldn't have. Eventually they asked the *servicio* be closed down. They still felt a U.S. presence was too much involved in an internal operation of the government. So the *servicio* was closed down and the US technical assistance and financial support was withdrawn. I don't know what happened to the Division and its program after that.

The productivity program, I don't remember the details as much. It was, again, a device to try and get a little bit more independence and--we didn't use the word in those days--I guess "privatize" the effort a little bit more than otherwise would have been the case. I've worked in other productivity centers like that. We didn't call them *servicios*.

Now, *servicios* in some other countries had a broader role. They were really the forerunners of the ministry. The Ministry of Health in Brazil, the Ministry of Agriculture in Paraguay followed the *servicio*, eventually took over and expanded upon it, perhaps extensively modified this *servicio*, but the concept is what started those ministries, which were needed. The problem was, for a while sometimes the *servicios* were bigger and more important than the ministries, and put the ministries in a shadow and didn't allow them to do their thing until they took it over. The last formal *servicio* in Latin America--and I had the dubious honor of closing it--was in Paraguay, in agriculture, and it must have been about 1968 or '69 that we officially closed that *servicio*. At that point the sub-secretary of agriculture and our chief of agriculture were co-directors of the *servicio*. There was a Ministry of Agriculture, in addition. What had been in the *servicio* just folded into the Ministry of Agriculture.

Q: The servicio was kind of a threat to the regular bureaucracy, in a way, wasn't it?

CODY: It was a threat in the sense that they were doing things that people responded to more favorably, but most of the people in the *servicio* tended to be employees of the local

government. Sometimes, as I mentioned in Paraguay, they were both. The co-director of the *servicio* was the Deputy Minister of Agriculture.

Q: Wasn't it true that in some servicios the local employees got paid higher salaries than the regular ministries?

CODY: They often were paid higher salaries and were paid on time. In general, their employment conditions were much better. This was, on occasion, part of the resistance to closing them down because the staff lost these kinds of advantages. But I think the *servicio* was a good starting technique for a number of things. In looking back, you can realize some of the threats it posed, some of the problems. On various occasions since then, people have talked about, "What we really need is to go back to the *servicio*," and maybe on one or two occasions they have put together something like that. But to my knowledge, they haven't really gone back and done that, though it has been thought of.

These *servicios* started being formed in 1941. Before 1952, in Latin America, anyway, we didn't have one AID program per se. We tended to have three. We had an ag group, we had a health group, and, to a lesser extent, we had an education group. They were three separate missions. These were the ones where the *servicios* were formed, particularly in health and agriculture. I'm not sure there were any education *servicios*, but there may have been one or two.

Then in 1952, when it was decided to bring these together, they chose the heads of one of these three groups and made them the mission director. With a few exceptions, they tended to be the person who was the head of agriculture. The fellow who was the director in Mexico, Ross Moore, had come out of that same system and was a very well-trained agriculturalist, I assume an agronomist or something like that, and had considerable experience in the Point Four, or whatever you want to call that program.

Q: Institute of Inter-American Affairs.

CODY: Yes, which still existed until, I think, July 1, 1955. That's when it formally went out of existence. When I came in December of '54, there still was the IIAA. I think it went out of business along with Child Harold.

Q: Yes. This was the idea of former Governor Harold Stassen to combine all the agencies into one called the Foreign Operations Administration.

That was your first experience, of course, working in an AID program. Of course, in every country the AID program has to work somehow with the embassy. Do you want to say something about the relations you perceived, or the AID mission and the embassy?

CODY: In Mexico despite the fact that we were located physically within the embassy, I professionally had little to do with embassy people. There was a fellow in the Econ Section I dealt with, Jim Green, who was quite good, who was at the second or third level in the

economic section who was a trained economist from Princeton, if I recall, one of those smaller schools. But in general, I didn't have much to do with the embassy. I had more to do in embassies where I was physically considerably further away, but we were still a part of it the US Mission.

Q: When you were further away, you had more to do with the embassy?

CODY: Yes. It worked out that way. It also was a function of the position I held, too. Ross Moore was a very bright and dynamic person, but he was also a very independent man. We had a very conservative ambassador when I first arrived. To say the least, they didn't hit it off. The ambassador, for example, I think, didn't think clothing should be any more colorful than navy blue. Ross Moore, on purpose--"Dinty" Moore, we called him--would show up with a checkered or plaid vest every day.

Q: And it shouldn't be forgotten that the ambassador wore a high, stiff collar.

CODY: Yes. That's a longer story, but he was out of a different era. Certainly I don't think he appreciated, he just put up with AID. It was something you couldn't throw out. So he certainly didn't consider the AID program, to my observation, as anything to do with foreign policy. It was something he was stuck with and had people he generally either ignored or didn't like. He was replaced by an ambassador who was much more of a political relations person, not a man I admired very much, because I thought his career came ahead of everything else, Robert Hill. But on the other hand, he did take more of an interest and he did realize that the AID program had something to offer. I appreciated that fact.

The other thing I did at AID in Mexico, which is the only place I did it until I retired as a consultant, was to be directly responsible for a project. In Mexico--I don't know if it's still true, but it certainly was true then--one of the real engines of progress was the Bank of Mexico. Our Industrial Research Program was with the institution of the Bank of Mexico. I think the education program had an involvement with the Bank of Mexico, as did several other projects. One of the things that the Bank of Mexico was doing on its own was running a regional--by regional, I mean Latin American--program for Central Bank employees, upgrading their skills.

Q: What was that called?

CODY: CEMLA, Centro de Estudios Monetarios Latino Americanos. Most of the Central Banks in Latin America, three fourths or better of them, were members of CEMLA. CEMLA held a general training course once a year and also specialized technical programs. They asked us to help them develop some of their specialized programs. One of the ones I remember we worked on was a program for national income accounts, and we brought a woman from the Department of Commerce to help us. Initially we contacted several people to help us decide what we should be doing with CEMLA. We had Robert Triffin, a very well-known financial economist who subsequently taught at Yale University. Also he had set up central banks in several Latin American countries.

Q: And who had helped set up the European Payments Union.

CODY: Yes. A Belgian by origin and he grew up in Belgium. Then we had a fellow named Frank Tamana, who had been at the Federal Reserve Board and left to be chairman of a department at American University, he died recently. They helped us outline a plan. Then from that we did specific programs like this one on national income accounts. But in that case I was the project technician, in addition to my duties as economist and program officer within the mission. I found it a very rewarding effort and I enjoyed the people I met there. I met interesting, thoughtful, serious people.

Q: What do you think about an institution like the Bank of Mexico in other countries? Should there be something like that?

CODY: You would normally expect it to be the planning minister, who, in turn, would push other ministries. My experience in Latin America is that planning ministries don't have much clout. They're often not ministries. There was no planning ministry in Mexico. In Paraguay, when I was there, it was a small office attached to the president's office and didn't have clout. The same thing was true in Ecuador. When I was initially in El Salvador, there was not a planning ministry, although there is now. But you need someone, however you organize the government to do that job. It just so happened that there were a couple of very dynamic people in the number-one and number-two spots in the Bank of Mexico who took this on. There's no reason that Central Bank should carry out these kinds of functions. Our own Central Bank has done a few things that might have been done in other agencies, but not to that degree by a long shot.

Q: Our own Central Bank being the Federal Reserve Board. Bank board?

CODY: There is a board that governs twelve banks. The board is in Washington.

Q: So, in a way, it had a planning function, but being involved in a monetary part of Mexico, it had some clout?

CODY: Yes. It had clout, in general. I don't think any of the clout would specifically apply to any of these projects, but it was an institution well respected in the Mexican government, perhaps as well as any. There are big institutions like PEMEX, but the allegations were it was just crooked from top to bottom, whereas I never heard those kinds of allegations, at least in the days that I lived in Mexico, about the Bank of Mexico. I was trying to remember the names of the two men who headed it, but I can't. One of them was Carlos something. I never heard a breath of a scandal.

Q: Gomez was president of the bank, I believe.

CODY: No, I don't think so.

Q: No?

CODY: The second man we sent off on a trip to the States and we sent him to Princeton. He audited all the courses he could and was very well appreciated by the staff there.

Q: And later became president of the bank and later became president of one of the private banks in Mexico. Speaking still about the bank for a minute, tell us a little bit about their training program of people going through the bank and being trained in other countries, then coming back.

CODY: I was not very much involved in that. I know they sent people abroad, but the specifics of the program I don't remember.

One thing I remember about the bank that I thought was rather amusing, and maybe you could say clever, was that the Bank, particularly in the Mexican context, was pretty much pro-U.S. But when we had to negotiate with them, they always looked for the most left-wing senior person they could find, on the grounds that he'd be tougher. The staff who liked the U.S. wouldn't be that tough. They had a man named Manuel Bravo, who was relatively senior at the second level of the bank, and he was the person we always ran into when we had to negotiate, because he was a dyed-in-the-wool anti-U.S., if not a dyed-in-the-wool pro-Soviet. He was a tough negotiator. I found this at the time an occasionally difficult but amusing situation that they would do that. If they'd done it in some of the other institutions like petroleum organization, which came into existence by expropriating U.S. interests, I would have expected it, but not so much in the bank.

Q: One of the interesting things about the bank was that many people from the bank went out to serve in other parts of the Mexican government.

CODY: But Central Bank, if I'm not mistaken, has branches in other parts of the country. Our Central Bank has branches, in a sense. There are twelve banks, regional banks around the country, and a board in Washington.

The AID program in Mexico was about a million and a half dollars per year, which was not large even for those years. However, we had five university contracts, Michigan State, Texas A & M, the University of Pennsylvania, Columbia Teachers College and the Illinois institute of Technology. In addition we had people on loan from the US Public Health Service, the US Bureau of Mines and the US Geological Survey. So with a relatively small amount of money we were involved in a number of fields of activity.

Q: Then after Mexico?

CODY: The health *servicio*, as a department of the Health Ministry, decided they could go it on their own, and about a third of our technicians were in the health field. This meant that our staff technical requirements were reduced by about a third, if I recall. So at that point it

was decided to cut back on the overhead staff. So I was sent to El Salvador, where they needed a program officer.

I enjoyed El Salvador. The program wasn't as interesting. We had *servicios*. We had a fairly large agricultural *servicio*. In fact, most of our U.S. employees were in the U.S. agricultural *servicio*, either direct hires of AID or from the Department of Agriculture on loan to AID. We had a health *servicio* and we had a small education program which wasn't really a *servicio*. I'm not really sure if it had been a *servicio*, but it was quite small when I was there and never really went anyplace.

These technical programs were all located outside of the AID mission offices, so the AID mission really only had the director, the program officer, the executive officer and the controller, two persons, because you had the person in the position and his assistant, and this was the USAID headquarters staff. There was a public administration advisor, but he didn't come until later, so I acted in that function. For a while I was the acting public safety advisor (doing the admin chores, not pounding a beat). But when he came, he moved over to the police department. So it was physically a smaller organization where we worked and we had a small office. We eventually had a US training officer who worked under me, but only at the very end of my stay. Until then I performed this function.

Q: And your technicians actually were located with the appropriate ministries.

CODY: Yes. Even when the public administration advisor arrived, he moved to the Ministry of Finance. All the were located in the ministry, so we just had the administrative staff at the headquarters.

One of the disappointing things about El Salvador was we had a very mediocre mission director, unlike Ross Moore and the man who replaced him, Vance Rogers, in Mexico. Harry Miller was a retired colonel and bitter about the fact that he was not a retired brigadier general. He was given his job in Salvador (and maybe his colonelcy as well) because his wife was a relative of Mamie Eisenhower, or at least so the rumor went. The fact that she was a relative I know because she said so. He had the experience that should have made him a better director. He had been in Paraguay and Ecuador four years each, and in one he was the head of the Military Assistance Group, and the other was the military attaché. So he had been in a technical assistance program, albeit military technical assistance, for four years in one Latin American country, and he had been the military attaché in another, and still didn't speak very good Spanish. It wasn't that he was a bad person; he was just of limited capability and comprehension of his role. Therefore, he didn't have any real conception of the job to be done. The program didn't really change when he was there because he lacked understanding of the development process.. We didn't have any real innovations during his tenure nor did he want any.

Again, I did start a small project with the Central Bank to revise their index of industrial production. My assistant, whom I still see when I am in El Salvador, Luis Mendez Novoa,

and I put together an index of industrial production, which was the initial basis for the current index.

It was a nice place to be. One thing I will say about El Salvador, it can be a difficult place to work, but it's easier to make friends, long-lasting friendships, and be invited into people's homes, in El Salvador than in most any country in which I've been stationed. In Mexico, for example, people have social events outside of the home, or did at the time I lived there. Very few Mexicans invited people including other Mexicans who were not family, to their homes. They invited them to restaurants. But in El Salvador, they'd invite you to their homes. This is the mid-'50s we're talking about, and I still have friends that I've kept up with since that time.

I did some things, there that were personally interesting for me, such as going white-water rafting on a river there which you can't reach now because of the war, and climbing some mountains, but the program was sort of not all it could have been because it didn't have the right direction.

Q: Then the program didn't have much effect on what was going on economically in the country?

CODY: The big activity was agricultural *servicio*, and they were doing experimental work. I went back to El Salvador in the early '80s and have been off and on in El Salvador through the '80s and early '90s, and I can't say I saw too much attributable to our program in the '50s. One new institution we were working with then was the agricultural college. We had three technicians in this new school. That organization is still going. How much we had to do with it, I'm not sure, but it's certainly much bigger and more important than it was. It was just getting going when we started, so that may have been an offshoot of our efforts. We had a couple of technicians in the school of medicine at the university, but the university had such problems brought on by the war, ideological differences, it's probably pretty hard to judge what impact there was there. Health, education, public administration, it was pretty hard to see the remnants, but we weren't doing that much anyway. One or two people for a couple of years. I'm not sure what you can expect much, particularly given the problems they've had in Salvador since. But I didn't see that there were many farmers growing corn and beans with any more efficiency, coming back, than there were when I went there. I remember we had a corn breeder and various other things on the staff of the *servicio*, and the *servicio* has long since gone. I don't know when it disappeared. When I went back in the '80s, it had been away for a while. It probably went out in the '60s.

Q: After Salvador?

CODY: After Salvador, initially I received word I was going to Rome to be someone to worry about PL 480 monies they still had in Italy. It wasn't much of a job, but it sounded like a great place to be. But my successor for El Salvador, who was coming out of Argentina, delayed so much that they finally gave the job to somebody else. He came by

ship. He took his military leave, he took his home leave, he drove down to Salvador. By the time he arrived, fifteen other persons were ahead of me in line for the Rome job.

So they were going to send me to Ghana (Europe and Africa were then in the same Bureau), which I wouldn't have minded at all, but they wanted me to be the assistant program officer to a man who had seemingly less experience than I. So when I arrived in Washington, I objected, and they put me on the Laos desk, which I enjoyed. Laos was very much in the news in those days. Porter Hardy was holding hearings every day and into the evening about Laos. They had a lot of problems that had come out of the import program that had led to a lot of abuse, not so much abuse on the part of Americans, but abuse on the part of the people who handled the goods, who were a variety of different nationalities. There was an American contractor who was obviously stealing from the US government. He never came home. I assume by now he's dead, but he declined to come back to the U.S. So a lot was going on, and it was the sort of job where you didn't come home for dinner, you stayed downtown and went back to work after dinner.

Again, I came back to work for interesting people. My immediate boss was a man named Victor Morgan, who was a person with a lot of intellectual capacity, for whom I enjoyed working. His boss was another fellow who was intellectually stimulating, Sherwood Fine. Various people at the top changed, but one of the ones I remember most was Bill Sheppard, who, again, was both an interesting person, and enjoyable to be around, and exceptionally well organized. He ran the Far East Bureau in those days. Different people came through the Bureau. Bill Ellis was the program officer for awhile, Warren Wiggins the Deputy Bureau Chief. Jim Fowler eventually wound up in that office. I ran into him later in Latin America as the head of Latin American Bureau. Rudd Poats was head of the Bureau awhile after Sheppard. We just had a lot of people with whom it was a pleasure to be working. Don McDonald was head of the Korea office. We had a woman, whom you may recall, Helene Granby, who could be difficult, but she was hard working. She once stayed in the office five days without going home. We called her "Old Stinky." She probably weighed about ninety pounds soaking wet. She was intellectually stimulating, too. It was a nice place to work. I enjoyed it.

Q: What years are we talking about now?

CODY: 1959 to 1961. I went out to Laos twice during that period. At the other end of the line, the mission director, John Tobler, I thought was very poor in his job. The mission was in rather a mess. The mission director not immediately before him, but there were a couple of interim people before that, Carter DePaul had a number of problems with the Hardy committee and he had been thrown out. It was a time of ferment and, therefore, it was stimulating. When Chester Bowles became the deputy secretary and he took an interest in Laos as well.

Q: Was there a lot of pressure on Laos from the White House?

CODY: I guess there was, but I think that came a little later. Working for AID abroad prior to coming on the Laos Desk, I really had very little to do with the embassy people, whereas in Washington, working in AID, I met regularly with my State Department contacts at the desk level and occasionally higher up the line. As I say, at one point Chester Bowles took an interest in what we were doing.

There were battles between State and AID. One of the things we did, one of the ways in which we supported Laos with State's encouragement was to give them cash grants, which was very much against AID's normal policy, particularly as expressed by Dennis Fitzgerald, who was technically the number three in AID, but in many ways the number-one. He just hated that idea of handing people cash money.

Q: What kind of strings were on that money when you granted it?

CODY: I guess we allocated it to different things, but it was budget support and was fungible. It was a continuing process. After giving each grant we knew they were going to renew the request. It came up every three or four months. Every time I'd have to run over to State and say, "I need a statement from the under secretary that says 'For overriding political reasons, we want to give another cash grant to Laos,'" and Fitzgerald wouldn't budge unless he received that piece of paper. He always acted like it was something new and unusual, and it kept happening every time they ran out of money, which we knew they were going to do.

This was an era where we were saving if not the whole world, portions of the world from communism. One of the things that made Laos look good to AID and the State Department was that for a short period of time we had a coalition government between the "bad guys" and the "good guys". The "bad guys", Prince Souphanouvong ("the red prince") and his followers, were brought into the government. He was a half-brother of Souvanna Phouma, who was the neutralist Prime Minister. There were a variety of different people--General Phoumi and others, who represented the right wing. When they brought the Red Prince into the government so we could say, "We have recaptured two provinces from the reds." Laos received a lot of attention. As I say, I enjoyed being in a job where I was in the eye of the storm.

Victor Morgan, after I was there a year, moved on and went to SAIS, the Johns Hopkins' economics program, and I became the Laos desk officer. Then I had more contacts with people like Sheppard and others up the line. At the end of my normal two years' tour plus a couple of months, I was asked for by Charles Mann, who was the mission director in Cambodia, to come out and be his program officer. On my last trip to Laos, I had stopped by Cambodia and he had made this offer.

So I went. Cambodia was, again, a fascinating place to be, because this was during the days of Prince Norodom Sihanouk when he was walking a tightrope between East and West. We had diplomatic representation and aid programs from all sides, in addition to the International Control Commission which had been set up by the Paris Accords of '54 which

divided Vietnam in half and oversaw "peace" throughout Indochina. The Commission had a neutralist Indian chairman, as well as Canadians, and Poles, a tripartite commission to oversee the divisions established in '55. But then we had a Russian aid program, a Chinese aid program, a Czech aid program, other Eastern bloc countries, plus the heavy French influence that was still there. We provided military assistance in the sense of materials, but the French provided military assistance in the sense of saying how to fight. So you had both the military missions, and you'd come in contact and see all these people. Lots of little anecdotes about those kinds of things. It was an fascinating place to be.

Sihanouk was at that time quite adept at walking this tightrope. He eventually threw us out. Whether he jumped the gun or whether he had no alternative, I'm not sure. I think he jumped the gun, but I obviously was not privy to all the influences that were on him particularly the Chinese.

Q: What do you mean, jumped the gun?

CODY: He threw us out using the excuse of incursions of U.S. forces in Vietnam. By that time we had military advisors. I don't think we were formally engaged in combat at that time. We had military advisors with Vietnamese units and they would occasionally, in hot pursuit, chase Viet Cong across into Cambodia, particularly in that area called the Parrot's Beak, where that piece of Cambodia sticks into Vietnam. Sihanouk would object violently to this. So eventually he asked the two AID missions, military and economic, to leave. Subsequently he threw out the embassy as well. So he abandoned this policy of walking the tightrope. I think he probably did it sooner than he had to and it wasn't a good idea, but I wasn't privy to all the inside information as to what pressures he was under from the Chinese and the Russians and the North Vietnamese and others to do this.

Q: Isn't it interesting, in the fall of 1991 he's back in a position of power in Cambodia.

CODY: It is interesting. The times I've seen him recently on television, he sort of looks like a caricature of himself. He was a fascinating man. All the things they said about him were true, about him being a playboy and a womanizer, but he used most of it to political advantage. He played the saxophone. He'd put on plays in which he'd act and make his wife act. He's made the Cabinet act. It was sort of *de rigueur* that the diplomatic corps had to go watch. And he'd make us all play volleyball and rig the teams so that he would play, but he would win, because the foreign teams, you were either . . .

CODY: Sihanouk used to rig these games so he would have a bunch of eighteen-year-old players with him on his side, and he'd wipe us out every time, and then he'd be so pleased that he was on the championship team. He did the same thing in basketball. But he made political capital out of this. I enjoyed him and enjoyed watching him. I attended numerous events where he presided. I played basketball and volleyball against him and occasionally was on teams of people who went to see him on business. He once invited what amounted to the US country team with their wives to a social "mid-week" at his villa at Sihanoukville

(before and again after Kompong Som) I can't say I knew him well, but at the time he knew certainly who I was. I don't know if he would now.

When I first arrived in Cambodia, we had an old-line ambassador and pretty good relations with the embassy in general. The ambassador was Bill Trimble. He wasn't all that impressive, but he was a nice enough person. He was replaced by a fellow named Phil Sprouse, whom I really think was one of the best ambassadors for whom I ever worked. Sprouse had been one of those unfortunate people who had helped "lose" China. So despite the fact that he was a senior FSO and should have been ambassador sometime before, he had only recently been DCM in Brussels to a political appointee, where I guess Sprouse did all the work. This was his first ambassadorial assignment. He was one of those people that if you were on his good side, he gave you an awful lot of support. I suspect if he didn't care for you that much, maybe he wasn't all that supportive. But I got along with him very well.

I should back up a second and say that when I arrived in Cambodia, I was the program officer, but was to have an overlap with my predecessor for three or four months. Charles Mann hadn't been so happy with this man, and that's why he wanted me to come out earlier. That was just the moment that ICA,(International Cooperation Administration), became AID,(Agency for International Development). This gave the mission the opportunity to let go of people who they thought weren't doing that well. So they did it by selecting who was going to stay, rather than selecting who was going to leave. But when the list came out as to who was going to stay, which was only a week or two after I arrived, this other program officer's who preceded me, name was not on it. So he was a rather and understandably distressed and arranged to leave right away. Instead of having a three- or four-month overlap where I was going to study French and generally get my feet on the ground, I became the program officer.

In a very short period of time the mission director in Burma for some reason left, so they asked our deputy director, Stuart Baron, to go to Burma and serve as the acting director, which meant we had a temporary vacancy for the deputy director. So Charles Mann asked me to be the acting deputy director. That happened for about a few weeks and suddenly Charles Mann was called to Washington on consultation. So within the time that I presumably otherwise would have just been studying French, I became the acting director of the mission.

I'll tell you a little anecdote, if you want anecdotes on this. I was then, I think, thirty-six years old or thirty-seven, and I was feeling quite pleased with myself. This was a mission with \$20 million in the early '60s, which was a lot of money. The deputy of the Public Safety Division had a little party in which there was a buffet and you sat down at bridge tables to eat and there were four people, but all in-house. Sitting across from me was the wife of the newly arrived public safety advisor. They had just arrived, and she looked at me and said, "What do you do?"

I said feeling quite pleased with myself, "Well, I'm the acting director."

She said, "Yes? Acting director of what?"

I said, "Of the USAID."

She said, "Big deal!" So that put me in my place a bit.

Anyway, it was a fortuitous circumstance. Then Stu Baron was transferred, I think to Africa, as director in Morocco. In any event, he was transferred out. First Charlie Mann was transferred out and he was replaced by a political appointee, a fellow named Curt Campaigne.

Q: He was probably one of the tycoons.

CODY: Yes. He came from the outside. There's an international veterans' organization with headquarters in Brussels, and he was the executive officer for that organization. He was a very nice man. He wasn't all that interested in the job or working hard at it. He was interested in the concept and the content. So he was happy to leave a good bit of the work and daily management tasks to his deputy. But shortly after he came there, Baron was then transferred. I became his acting deputy and then I was appointed officially as the deputy of the mission. So by the time that Phil Sprouse arrived as the new ambassador, I was the deputy. So my relationship with Sprouse was as the deputy and later as the acting director for about six months. Sprouse was very supportive to me, both in terms of working with Campaigne, but in terms of working with the economic section. I remember we had a visit from [Senator] Mike Mansfield and Senator Boggs and Senator [Claiborne] Pell. He asked me, rather than the State economic officer, to give the economic briefing. You can imagine how the State economic officer felt at that stage. But anyway, it was a good relationship.

As I say, eventually Sihanouk asked us to leave as a result of one of these border incursions. He sent us a note which said "any more aid, no matter how small, would be an insult to the national dignity". We thought that was fairly definitive statement. It really wasn't what he meant. He meant that we should get rid of the AID name and call ourselves the office of technical assistance and move in the embassy or something similar. But we really took him at his word and we stopped practically everything. We immediately stopped our technicians from working with the Cambodians and sent them out of the country as soon as possible.

I might point out what the AID program consisted of. It was \$20 million, \$15 million in commodity import program and \$5 million in technical assistance. We had 118 direct-hire employees, I remember, because I was responsible for each one leaving. In those days, as you recall, AID hired vocational training advisors and sanitarians and engineers on a permanent career basis on the theory that there was always someplace in the world where you needed that skill. If you no longer needed a sanitarian in Cambodia, you would need him in Thailand or elsewhere. So we had all of these people. I guess the 118 did include some people from the Bureau of Public Roads, but they were US government employees. They were direct-hire; though they weren't AID direct-hire. That did not include

contractors. We had relatively few contractors; a few International Voluntary Service and university people.

So \$15 million was commodity imports. Of that \$15 million that generated local currency, we used roughly \$10 million to support the military budget. Some would have alleged that it was a phantom army, in large part. And \$5 million to support the technical assistance efforts. So we had a \$10 million technical assistance program in 1961. That's a fair-sized program by today's standards, and a \$10 million budgetary support, if you want to call it that, allocated to the military. Lon Nol was the Minister of Defense, the general who eventually threw Sihanouk out.

We stopped all the AID financed goods that were en route. This turned out to be a big headache later on. So if the goods were on the dock in Cambodia, we had them put back on the ship. If they were on the high seas, we diverted them to another port, Saigon or Manila or Jakarta, or any other place we might need them. The only exception we made were the participants (students). We had at least 150 or so Cambodians studying in the United States.

One interesting project on which we were working when the program closed, we had designed a technical training school and we were training the whole faculty in the United States, the administration and the teachers. We had 101 Cambodians studying in the U.S. at places like Long Beach State College, L.A. State College, and the agricultural school up the coast of California. We were just, en masse, going to staff that college with U.S.-trained Cambodians. It would have been interesting to see how it would work, but unfortunately it didn't happen. We had built the buildings. There had been a school there before, largely staffed by the French and the Canadians, but it was a small operation.

Q: Were these Cambodians in the United States?

CODY: They were in the United States.

Q: Then you didn't let them finish?

CODY: That was the one exception. We gave them the option. If they wanted to stay and finish, they could. If they wanted to go back to Cambodia, they could. Overwhelmingly they elected to stay. What's happened to them, I don't know. It would be an interesting thing to see. I suspect practically all of them still stayed in the US. Maybe a few later on went back to Cambodia. Then we had Cambodians studying other subjects. We had 101 of these just from this one school, and I've forgotten how many we had from other schools. We had a considerable number studying agriculture at the University of Georgia.

So we just closed down the mission. Except for the BPR who went to Bangkok we evacuated most of our people, technicians and all the families, to Hong Kong, We kept a core staff of management, program, and controller people in Phnom Penh and Saigon.

The one project that we still had going, and we negotiated for quite a while with the Cambodians as to whether they wanted to keep it going, was the rehabilitation of the Khmer-American Friendship Highway. This is a highway of 150 miles or more from Phnom Penh to the coast, to what had become Sihanoukville, which was before and again now is Kompong Som. Kompong is a word that appears in many names; it means "boat landing." There we had a contract with Vinnell Corporation to build the road. I'd forgotten, but we did have this contract. Vinnell is either from Washington State or Oregon. It's a big contracting outfit. We debated a long time, and finally the Cambodians sent us a note saying, "You can continue to build the road if you want to." That wasn't good enough for us. The State Department and AID had agreed that we would have done it if they asked us to do it, but we did not consider "if you want to" as a request.

By this time Curt Campaigne had departed, had been transferred to Guinea, and I was left as the acting director. My immediate major job was to sell this equipment to the Cambodian Government. We knew we couldn't move it out of Cambodia very easily. So I spent six months negotiating the sale and collecting the money.

Q: To whom did you sell it?

CODY: The government of Cambodia for \$1.8 million. Eventually I received a fat little check in my hand. I had Bureau of Public Roads people and Vinnell people on call in Bangkok, who came over occasionally, but basically a local French contractor named Le May, who had been a subcontractor to Vinnell, and I and a Belgian technician named John Ichx, who had been a third country national employee of the mission, an accountant well versed in the local scene, did all the work for selling the equipment. I came to know every desk in the Ministry of Public Works and every desk in the Ministry of Plans and every desk in the Ministry of Finance, and every desk in the Central Bank. First we were paid in local currency, then we had the funds exchanged into dollars, which turned out to be the much easier task. I don't think AID or State ever really recognized the effort that went into securing that check. A couple of times I was called out for such mundane chores as serving on an evaluation panel. The ambassador had to argue like mad to have me taken off of the panel. "You've got to come on the panel. It's your turn." Anyway, the equipment was sold.

It was interesting, because in the process, all the US AID people except me left Phnom Penh. A few staff members remained in Saigon. In fact, my family was in Saigon and I used to visit there. I kept an office in Saigon. But I was eventually the only American left in the AID program in Cambodia. The military aid program had gone the same time that we did. The embassy had been cut back and the experienced staff replaced so the people in the embassy were all new. They didn't know anybody in the Cambodian government other than their designated contacts at the Foreign Office. I was the only American that wandered around town. I was the only American who was known to very many people, and it was rather fun that way. Then even after I had finished my work and was transferred, I came back on TDY on a few occasions. It would start a rumor every time that the AID program was coming back.

Q: Because you came back.

CODY: Because I came back. The other big headache beside selling the road building equipment was that we had diverted all these goods financed under the commodity import program. The problem was that the local suppliers had paid down-payments on them. So there was a big mess at the Central Bank and no one knew how to straighten out all the paperwork and payments. The local importers had made their deposits at the bank D'Indochine and through the Barclay's Bank and the Chartered Bank, two British banks and a French bank and the Central Bank. So I spent a lot of time working on that and we finally had it more or less straightened out, though I think some of the local importers lost their shirts. I was the acting director until about June of '64.

Q: How were your relations with Washington through all this?

CODY: They were good.

Q: They understood what you were up to?

CODY: Yes, I think so. They weren't all that interested. I think they had written Cambodia off, but they didn't give me many problems other than to try and transfer me out which both the Ambassador and I thought was premature. In any country, as a senior AID person, you deal with three individuals or three sets of individuals. One is your ambassador and his embassy staff. Two, your regional director in Washington and his staff. You don't deal with State in Washington except through that group. If State officers come to the mission, you usually have meetings with them, but you're basically dealing with State Washington through your AID regional director and locally through the Ambassador. Third, you deal with the host country. The ideal situation is to have good relations with all three. That doesn't normally happen.

In Cambodia, Sheppard had gone by then, but I had good relations with Poats. Poats was head of the Far East region for AID. I had good relations, certainly, with Sprouse, and after he left I had less close relations, but they were still good relations, with the embassy, with the chargé they had there. I personally had very good relations with the Cambodians. The Deputy Minister of Plan, Plek Chat and I got along fine. The Director of the Central Bank, Son Sann, is the head of one of those three groups in Cambodia, the right wing. Our relations were good. I thought he was an old man then. I don't know how old he must be now. We're talking about the '60s and he was one of the older people. I never received any harassment from the government. They always took their time to accomplish things. Part of this was just the French colonial system. I enjoyed being in Cambodia in that era. And there was no war in Cambodia. There's a war now. It was the war in Vietnam and Laos. My family was eventually brought back to Cambodia because my wife and two daughters had left a movie theater fifteen minutes before a bomb went off in Saigon.

Q: So you brought them back to Cambodia.

CODY: I convinced State to let me do so. Then after I brought them back to Cambodia and there was a riot at the embassy, in which nobody was hurt. It was just organized to make a statement. At that point they were evacuated to Japan.

So anyway, the thing came to an end and I was made the director of the Office of Vietnam Affairs in Washington. Those days, Vietnam was an office in the Far East Bureau. Just after I left that office, it became a bureau in and of itself, and I think Jim Grant became the director.

Q: So you came back to Washington to head up the Office of Vietnam Affairs. You were in that how long?

CODY: It was strange. I was only in that position about eight months, and the reason I left was as bureaucratic a reason as you can get. I left at my choice. When I went to Cambodia, I was an R4, Foreign Service Reserve, fourth grade, which is lower medium level. Through the efforts of Bill Sheppard, I subsequently was promoted very soon to an R3. I had been an R4 for a long time and then for some reason I hadn't been promoted. But I'd only been an R3 for a year and the panel promoted me to an R2. I could never quite figure that out but I didn't object. Then when I moved into the job of deputy, when I was officially made the deputy director, it carried a temporary grade with it of an R1. So in a period of thirteen months, I went from an R4 to an R1. I was pleased.

When I came back to the Office of Vietnam Affairs, I had to revert to my permanent grade, which by then was an R2, but it meant that I lost, including housing, about \$6,000. So I kept saying to my superiors, "Either give me a promotion, upgrade the official position of this job so I can get paid temporarily extra, or there are several people asking me to go back to take jobs where I could again be given my temporary grade of an R1," one of whom was Charlie Mann had then become director in Laos. He was asking me to come out as his deputy. So bureaucratically it turned out that it was easier to send me to Laos where I'd get back my grade than it was to do whatever they might have done to give me the grade in Washington. I don't know if they knew it at the time, but very shortly after I left that job, they upgraded my office to a bureau, and they weren't about to make me the head of a bureau at that stage. So maybe that had something to do with it, though at the time I left, I didn't know they were going to do so. I was replaced as Office Director by another man, but he was in the job a very short period of time when they upgraded it. I don't know what happened to him. I imagine he just became one of many in that bureau, which I presume would have happened to me.

Q: While you were in the Office of Vietnam Affairs, what kind of priority did it have within the government?

CODY: It had a high and increasing priority. This was just during the period that President Johnson stepped up the effort in Vietnam. The standard phrase in those days--and people didn't say no to this question, which they did later--"Are you against the war?" You could

just sort of hold that out as a threat. In fact, in those days we still sent people to Vietnam voluntarily. Later we made it, "Either go or leave the agency." At that point theoretically it was voluntary. I had a letter in my desk from LBJ which said, "Anytime that you have someone that you want to send that you think is important that they go to Vietnam, and they don't want to go, call me and I will personally call them."

Q: The president personally?

CODY: He signed the letter.

Q: He probably would have.

CODY: I was always looking for that occasion and it never arose. It almost arose with Don Finberg once, but it didn't arise. [Laughter]

There was a White House task force on which I represented AID, headed up by Michael Forrestal, the son of James Forrestal, and it had Bill Colby on it representing the CIA, then the head of the Far East Bureau for CIA, and a number of military types whose names I don't remember. I used to be amused how Forrestal, who was quite young (when I saw when he died how old he was, he wasn't as young as I thought he was then), but would sort of push these admirals and generals around. It was refreshing. [Laughter]

So we met once a week. When I first went on that panel, actually, Bill Sullivan was the chairman, who was subsequently my ambassador in Laos and in the Philippines. But he left shortly after I arrived. Then at the end of the time, Forrestal left and went back to private industry, a competent fellow named Len Unger took over. He later became ambassador to Thailand and other places as well.

Q: It's interesting you mention Forrestal and Sullivan, because they were both protégées of Ambassador Averell Harriman. Forrestal had been Averell Harriman's personal assistant when he was the head of the Marshall Plan in Europe, and then, as you know, Sullivan became his aide and he promoted him when Harriman was involved in some kind of negotiation in Geneva. So that's interesting.

CODY: We built up the Vietnam mission in size to about 2,000 direct-hire employees. It had a built-in multiplier factor because there were forty-eight provinces. There were actually forty-nine, but one was an island where they kept prisoners in cages. We didn't have an AID program there. But there were forty-eight provinces where we worked. If we added another public safety advisor in one, we added one in the other forty-seven. As we kept adding people, they were divided into four regions, and this would eventually bump up the regional staffs.

Q: So you had a headquarters staff in Saigon, regional staffs, then provincial staffs.

CODY: Yes, there were people in each province. So you had a multiplier effect. When I was there we reached 2,000 direct-hire employees plus contractors. I don't know how many contractors.

Q: By far the largest mission in the world.

CODY: Yes, by far the largest mission that AID has ever had and hopefully ever will. Our back-stopping job in Washington involved a number of things; breaking bottlenecks, recruitment, dealing with other agencies, making sure materials arrived, occasionally dealing with public or congress men. On occasions we were involved with policy issues as well; a big variety of issues. One of the things we put a lot of emphasis on was showing that other nations were contributing to the Vietnam effort, no matter how small. I don't know if it was monthly or biweekly. I think it was biweekly, maybe even weekly. We had a list of what every other country in the world was doing to help the Vietnam effort, to show it wasn't just LBJ flexing his muscles. The Vietnam program obviously had high priority, and it didn't surprise me when they made it into a bureau. I had about thirty people working for me as an office, which at the time I thought was rather excessive, but the bureau reached 200. I think everybody fell all over each other. The trouble is that you get an organization like that and they start writing memos to each other and they start carving out turfs and having arguments about it and so forth. Even my thirty people included a few people who I thought were unproductive, so I put them over in offices and gave them nothing to do. I couldn't get rid of them. It was called the "old goats pen". As I say, I left when I was offered a job in Laos to be Charlie Mann's deputy.

Q: To go back to Laos?

CODY: I had been at the Laos desk in Washington, but I hadn't been stationed Vientiane. So this was to go to Laos as Mann's deputy. In Laos there was a war going on. We had a big program. It was a \$50 million program. We had over 400 direct-hire employees, in addition to contractors, and we had an airline, two, in fact -Air America and Continental Air Services. We had twenty-one choppers and forty fixed-wing aircraft under contract to the USAID. We had some arrangements with another agency. We were fighting the so-called "secret war". It wasn't a secret from very many people. But there was a war going on. The fighters on the good guys' side were basically the hill tribes, now called the Mong, under General Vang Pao. General Vang Pao now lives in Montana, I think, with his followers and many wives on a sheep farm, which he was set up with after the end of the debacle. They were the big fighters.

The AID mission would provide support in the sense of building roads and air strips and dropping rice to refugees. We had a quite genuine rural development program which was intended to help win over the hearts and minds of the people. When you liberated an area or had an area that was threatened and so forth, these kinds of programs were supposed to help convince the locals on which side their bread was buttered. But there was a war going on. They were bombing Laos. We'd make little jokes about, "Here come those reconnaissance cameras," but they made big booms. Not on Vientiane, but on other places.

I remember once being sent out to a village that our boys had hit erroneously for the third time to make financial "restitution". A life was worth 50,000 kip, making assessments on property damage and paying everybody off and asking them to help us dig out some bombs which hadn't exploded. We had some experts from the Army to defuse them, but we needed some labor to dig them out.

Q: Been hit erroneously three times?

CODY: Yes. Apparently the airports are denominated on the direction of the runway, and this runway was the same as some other places. I don't exactly know the system.

So it was really an integrated effort. The country team was a country team. Bill Sullivan was the ambassador for the whole time that I was there, and I thought he was a first-rate ambassador. He had a capacity which is so often lacking. He obviously wanted to be informed and would be very upset if he wasn't informed. He would not like to go someplace and have somebody tell him about something that was going on or happening in one of his missions and he didn't know about it. On the other hand, he also had a capacity to separate those areas where he should stick his nose in and try and run them from those areas he just should know what's going on. On a number of occasions I've found that not all people can do that. If they're your superior and once you tell them about something, then they feel they have to tell you how to do it. He knew that he had many other things more important as to how to do it than to try and run the livestock program. But he didn't want to discover suddenly there was a livestock program out in X province and nobody had told him. Now, if having a livestock program out in X province presented a political problem, he'd tell you about it, but he was one of the very few who could, in my opinion, really put his priorities straight. At the same time he had a phenomenal memory. He probably knew more about your program than you did. The military used to make jokes about that all the time, that he knew more about their program than they did. And he really enjoyed running that war, I must say. We'd meet every morning, the country team.

Q: What was your relations with the other members, the deputy chief of mission?

CODY: Good. I had good relations. Coby Swank was the DCM. He subsequently became ambassador to Cambodia. The man who replaced him, I only knew him at the very end, so I can't say I know him, Bob Hurwitch. But I think he was there a week or two overlap. Sullivan was there the whole time and Swank was there 95 percent of the time. I had good relations with our military attachés and with the unmentionables. Some of the junior political officers at the embassy, I think, resented the AID program. I was the deputy. When I arrived there, Charlie Mann was the director, and he was later replaced by a fellow named Joe Mendenhall, who was a Foreign Service officer, had been the Vietnam desk officer in Washington for the State Department. Though he had served once in the Marshall Plan as deputy director in Iceland, his career was State. So we had that kind of integration. They weren't going to give AID a hard time because they were State and we were AID, when our director was *bona fide* State Department.

In any event, Mendenhall was a very hard working, somewhat humorless sort of person, but I enjoyed working for him. So often people want to be what they're not. Joe, I think, was born and raised a city boy, so he always wanted to be a farmer. He spent an inordinate amount of time worrying about the agricultural program. Despite the fact he was personally a rather tough individual, he didn't like personnel matters, didn't like to make tough personnel decisions. So if anybody had to tell somebody to stop doing something that they shouldn't be doing, it was me. In a big mission like that, you always had that.

Q: Lucky you.

CODY: Yes. But some deputy directors are put on a shelf, and I think that when Charlie Mann was director in Cambodia and Stu Baron was deputy, Stu didn't have much to do because the chemistry, or whatever, wasn't there. But with Joe and me, despite the fact that we were quite different of personalities, he gave me a lot to do and it was an interesting program.

Our interaction, of course was greater with the monetized section of Laos and therefore with the Lao government. There are lots of Lao that live out in little villages and have no money and just do their thing, but in terms of the monetized section, I've never been in a situation where we ran the show to the extent we did in Laos. We would set the budget level. We directly influenced the money supply through the way we ran the cash grant program. It was rather a unique exercise and I must say I really enjoyed my role in .it. A major task of the mission was to maintain monetary stability and fiscal responsibility. In so doing the instrument we used was called FEOF, Foreign Exchange Operations Fund. Five governments, the U.S., the Brits, the Australians, the French, and the Japanese put money into this fund. Then the Fund would sell dollars for kip, for no questions asked. We tried to estimate how much foreign exchange we would need, but we controlled the money supply by controlling the government budget. That was one of the jobs I had, was to negotiate with the Minister of Finance how much the government was going to spend. We had a price of 500 kip to 1 US dollar. We had a manager of the fund, but we didn't vary it very much--495, 505, something like that. I remember that in putting 20 million bucks in, we came out within \$20,000. We still had \$20,000 left at the end of the year, playing this balancing act, but basically by controlling the money supply, how many kip were chasing after those dollars. Kip is the currency.

I had an amusing and interesting experience one time. We had a run on the fund and there was a worry that maybe they were going to run us out of money, so all five country representatives sat down with the Finance Minister and the head of the Central Bank and decided we were going to stick it out. We'd just pretend like it didn't exist and we weren't going to close the fund. Some people were saying, "Let's close the fund." We said, "No, we won't close it. The run will blow over."

So the next day the Minister of Finance had gone away on a trip and his deputy had seen this run on the fund and closed the fund. So I went down to see him. I've forgotten his name.

The minister's name was Sisouk Champasak. I said, "Minister Sisouk agreed that we wouldn't shut the fund. Therefore, please open it."

This Lao Vice-Minister was very hesitant. What he finally said to me was, "If all five of the governments agree that we should open the fund, I will open it."

So the only one of my colleagues I could find on a moment's notice was the French, (the embassy DCM). But I couldn't find the Brit, Australian, or the Japanese. So I went back to the acting minister and said, "In the name of the U.S. and French governments and speaking for the Australian, British, and Japanese governments, please open that fund." And he did. Then I had to run down the Brit and the Australian and the Japanese and confirm what I had done. It so happened in those three cases, the representative of the fund was their ambassador. And I finally found all three ambassadors. The Brit and the Australians had no problem, said it was great, I'd done the right thing. The Japanese ambassador said, "You can't speak for the Japanese government." I said, "I know I can't. But do you want to tell the acting Minister to shut the fund?" He said, "No, but don't do it again." [Laughter] I said, "Fine. Just leave word where I can find you if the occasion should re-arise."

We had programs in everything, education, agriculture, rural development. We had people in twenty-five locations outside of Vientiane, the capital. We ran a regular scheduled airline. We called it the milk run. It went north and south every day, two trips, in addition to all the special trips we made, which is more than Royal Air Laos did. We had the only fire department in town. It was located in the USAID compound. We had our own telephone system, we had our own electric system.

Q: Your own telephone system covering the town?

CODY: No, just USAID and the embassy. It did have contacts with selected others--it hooked into the town system, and the town system didn't work, really.

Q: You mean that the phone system could go from the embassy and the AID mission out to your house?

CODY: Yes.

Q: Because you had to be in touch with people.

CODY: Yes. There was a major flood there and we took responsibility for all the organization and rescue work during the flood. It was a fascinating period. The Lao are a very relaxed people. This, at least in retrospect, I would consider an infringement on their sovereignty, but didn't seem to bother them. The other side, the communist Lao, they'd rail against the U.S. and so forth, but they didn't really rail, as I would have done, about, "How come you're a bunch of toadies to these people and they let you run the show." It didn't occasionally stop them from doing things that they shouldn't have done. For example, a general, whose name was Ma, and head of the Air Force, a thirty-one-year-old general,

became mad at the general staff. His Air force was located in Savanakhet, which is the second biggest city and located several hundred miles to the south. He strafed the command and general headquarters of the Army in Vientiane, but we were in the line of fire, so he strafed us, too. We came out of our offices and here were these planes dipping over our compound, putting bullets down the main street of our compound. The biggest trouble I had was telling people to go back inside. "Don't come out and look! Get back inside!"

Q: Was anyone hurt?

CODY: A few people, yes. Nobody was killed.

Q: No one was killed.

CODY: Not in our compound. There were people in the targets who were killed, not the chief of staff, who he wanted to kill. So when he finished doing this, he just flew over to Thailand and put himself in exile. General Ma. But in general the Lao didn't seem to resent this. He wasn't resenting us; General Ma was resentful of some of his own people. On the good guys' side, there were at least two such sides. There were the neutralists, who supported Souvanna Phouma and then the right wing two generals (I've forgotten their names), who controlled the Army. General Khong Le was the head of the neutralist military forces. General Khong Le, when I was on the Laos desk, had then been a captain in the paratroopers and one of the few Lao who was doing some fighting. When he came back for rest and recreation, they let him have about two days and then they were sending him out again. So he led a revolution, captured Vientiane for a while. As a result we were in the foolish position where we were paying the soldiers in his army and the soldiers in the right wing and they were fighting each other.

Q: The U.S. was paying both armies?

CODY: Yes. I remember Congressman Porter Harder asking J. Graham Parsons (Assistant Secretary of State for the Far East) in a meeting which I attended with Ambassador Riddleberger (then AID Administrator), "Is it true you're paying the soldiers on both sides of the war?" Kenneth Royal, who was also the Assistant Secretary for the Army, was there. He said, "Yes, Mr. Congressman." He said, "Ambassador Parsons, are you just stupid or unintelligent?" [Laughter] But anyway, so we were paying salaries of all these people who were fighting each other.

One of the things we used to do with the Lao military leadership was take them out to the Sixth Fleet, the big fleet we had out there off of Vietnam, and give them a big show, including the Polaris submarine. One of the functions--I'm not quite sure why--I had was to go up and hold Khong Le's hand every once in a while. He was stationed up country. I went up to see him one time and he had just come back from this VIP navy trip, and he asked me, in all good faith--he wasn't kidding--he was on the Nam Lik River, he wasn't even on the Mekong. The Nam Lik is a tributary, about the size of the Anacostia or maybe a little bit

bigger. Smaller than the Potomac, but bigger than the Anacostia. He asked me if he could have a Polaris submarine.

The reasons why I was involved with that military aspect is that under the '62 Paris Accords, the US could not have a military mission in Laos. We couldn't before under the previous accords, but we phoned it up and we "sheep dipped" regular soldiers and formed a Program Evaluation Office. We pretended these people were not in our military when, in fact, they were. They all dressed alike, white shorts, socks up to their knees, and called each other by rank. Had a party when the colonel got promoted to a general, who was head of it, and so forth. But the second time around, they took genuinely retired military, and they did not "sheep dip" active duty personnel. So we provided the military logistics and the French provided the military guidance. But they put this military logistics office in USAID. It was called the Requirements Office and it came under the USAID. I and others used to go over once a month to Udorn and meet with the military people for guidance. That's why I was dealing with Khong Le, and that's when he asked me for the Polaris submarine--in all seriousness. We did have a rather large contingent of military personnel in the attachés office which was permitted under the accords.

Q: You were how long in Laos then?

CODY: Over two years. Then I was offered a job from the Latin American Bureau to go as director in Paraguay.

One thing about Laos, it was one of the countries where I had a good ambassador, had good relations with the mission director, and got along extremely well with the Lao. The Lao are generally easy to deal with. I can't even remember whether Rudd Poats was still the AID Regional Director--but Sullivan was such a person that if you had Sullivan on your side, you weren't going to get any real problems from Washington.

One of the international figures who I have met, who I really admired was Souvanna Phouma. Souvanna Phouma, off and on for thirty years, was the chief of state. He was thrown out, brought back in various times, but he was a person who had received a lot of support and adulation. He was one of the few people, maybe the only in that level, where it didn't seem to go to his head. He didn't think he was god. In addition, he actually was royalty. We referred to him as Altesse, "your highness." The Lao royal system is kind of messed up, because there wasn't just one king. The French took one of the three kingdoms and made one of them the dominant one, Luang Prabang. That's why the flag had a three-headed elephant. Luang Prabang was established as the royal capital of Laos. Vientiane was the administrative capital. There is no royal capital now. In any event, Souvanna Phouma was a serious, sober-minded person. His relaxation was playing bridge. He took his job very seriously, but he didn't seem to take himself as seriously, in spite of the fact he had a lot of dignity. When I was in Cambodia, there was an article in the government paper referring to Sihanouk as "égale à Dieu," equal to god. I think Sihanouk was tending to believe it. In subsequent countries, as with Stroessner or Marcos, they were beginning to believe--maybe not equal to god, but that they were infallible. Whereas with Souvanna

Phouma, I admired him for the fact that he was able to keep his sense of balance that he was still a human being.

Q: I think at the end of this interview it might be interesting to compare the people that you worked with, such as Stroessner of Paraguay, Marcos of the Philippines, and these other men. It would be very interesting. And their wives.

CODY: I was offered a job from Washington. David Bronheim, who was the head of the Latin American Bureau, asked me if I wanted to go to Paraguay as director. Joe Mendenhall and others in Laos said, "You don't want to leave a big, important program like this to go to a little program in Paraguay." I basically made the decision that it would be more interesting or would be a new challenge to be a bigger fish in a smaller puddle. I don't regret it. I really enjoyed the Laos experience, but I think it was useful to go on to be the director at Paraguay.

Q: This was when?

CODY: This was 1967. I went to Paraguay, which was a much smaller program. It was a technical assistance program. We had the one remaining *servicio* in agriculture, which we closed fairly soon. We had some PL 480 money, so we did have some local currency to spend. But it was basically a technical assistance program. The program had several university contracts, one with the University of Buffalo, which it had been going for eleven years, in medical and nursing education. We had another one with Buffalo in university administration. There was one with New Mexico State College in livestock development and subsequently one with University of New Mexico in Albuquerque in education. Later there was a contract with Georgetown University. There was a variety of interesting projects. In general, it's hard to say what difference they made in the long run. I'd be interested to go back to Paraguay these days and see if there is any evidence of their impact.

I think there are some general questions about the extent to which AID has really been successful at all. You can't answer those questions for Laos and Cambodia because of the political changes which have been superimposed. As I told you we sent 100 Cambodians, who were going to be the whole staff of the school. But they never went back, so we don't know the answer to that question. Most any other question you'd pose in relation to Cambodia would be overshadowed by the political developments. The same in Laos. But I think it would be interesting to ask ourselves how we did in Paraguay where we had worked since 1941. I understand the program is pretty well phased out now.

Q: At least 1941. Your next assignment was to Paraguay, Peter.

CODY: Yes. I had accepted the position in Paraguay because it was an opportunity to be the director in an albeit considerably small program than a deputy in a larger one. Paraguay turned out to be a very fascinating place to be in a number of ways. I think in any country you go to, you become swept up into what's going on. While it may not be very important in

other places around the world, it suddenly soon becomes the center of your own life and existence and thoughts and worries.

Paraguay is a country with a quite different history than any other country in Latin America. It is the one country in Latin America which is basically bilingual and practically all people speak Guarani as a second language. A number of people speak it as a first language. They speak it without any complexes. That is, they weren't ashamed to speak it. Guarani was the native Indian language, and 90 percent of the Paraguayans speak Guarani. If they were young men, they learn it in the Army, if no place else. If they are women, they learn it from the servants. But even the president spoke it with pride when I was there. Therefore, unlike countries like Bolivia and Ecuador, where there are a large number of people who don't speak Spanish, people from the better classes who speak Quechua and Aymara, which they speak in those countries, probably wouldn't tell you they do so. It's not a matter of pride with them but rather to the contrary.

So on one hand, it was a bilingual country. Secondly, in large part because of the war of the Triple Alliance (which took place right after our civil war) in which Paraguay took on Argentina, Brazil, and Uruguay at the same time, and for a while was winning, and finally lost the war with only 28,000 males of reproductive age and 128,000 women, the income was much less skewed. That is, the upper class was wiped out in that war. The upper class did not support Solano Lopez, who was the dictator of Paraguay, who pushed the war. While during the years that followed some people did acquire wealth there was not the skewed income distribution found in other LA countries. Hence, there wasn't the same social and economic distinction that you find in so many other countries of Latin America.

Thirdly, Paraguay is a country, in a sense, by accident. If a few things had been different, it would have been a province of Argentina. If Francia, the first dictator had not closed Paraguay off from the outside world, it probably would have been. But Argentina continued to provide an outlet for poverty. If you didn't have a job, you didn't go to the slums of Asunción; you went to the slums of Buenos Aires. In fact, the word "paraguayia" in many parts of Buenos Aires was a synonym for domestic servant. So you did not have big slums, you did not have a lot of poverty. You had people living in the countryside with low incomes but they generally regularly had meat to eat. You had people living in town with low incomes, but not the extremes that you found in other parts of Latin America such as Mexico City, Caracas, Rio de Janeiro and São Paulo.

So in many ways it was an easier environment in which most people lived. Also it was more of a backwater than most countries in Latin America. And while it had a dictatorship, it was a relatively benign dictatorship if that is possible. Paraguay had a very different and hence interesting history in that sense. Early on there were three dictators, Francia and the two Lopezes, who ruled until the 1870s. Then it had a series of presidents, some of them quite democratic. But around the forties, they had very frequent changes of government. They'd had a couple of revolutions. Many people had been killed. They were tired of this kind of life which had gone on for twenty or thirty years,

When Stroessner came to power, similar to Fernando Marcos, he was welcomed because he brought an end to this kind of uncertainty and constant strife and intermittent violence. He was by Latin American and by world standards a relatively humane, benign dictator. That's not to say that people weren't put in jail arbitrarily and enemies silenced, but there weren't that many enemies around. When there were incursions from Argentina, which there were a few, the peasantry generally stood up and pointed them out, so they were quickly dispersed and may have been executed or killed. There were some people mistreated, without a doubt, and some people kept in jail without due process for a long time. But by relative standards, it was a less harsh dictatorship, but still a dictatorship.

The key was that the government provided stability. Stroessner himself liked stability. When I was there at the end of the '60s, there were members of the Cabinet who had been there since the beginning in '54. He didn't like changes. He liked the people around him and wanted people he felt he could trust, though in the end General Rodriguez his "consejero" forced him out. There were some occasions he had to make some changes, but some of these people stayed on until he left, which also meant, while the Paraguayan society is not all that open a society, it's relatively open. So after a while you're more of an insider, and once you're inside, you know everybody. Therefore, once you've made that transition, it makes it (from the point of view of an AID person) a reasonably easy place to work. You reached the point where before they asked you for something publically or formally, they came and asked you first informally whether the answer would be yes, so that you didn't have to make a public statement and say, "No." You sorted it all out beforehand. I had one major exception to this because the Minister of Interior didn't know the rules or didn't play by them in this one instance. But in general, you could settle things very quietly before they ever happened.

I was in Paraguay for four years, which was as long as I was in any other place. I was also in Ecuador for four years. By the time I left, I couldn't go to a cocktail party without knowing 80 or 90 percent of the people at the party and having some sort of good relationship with each of them. And that included the opposition people as well. It was a small country, a small population.

Now, whether, in fact, the projects that we did *in toto* made an impact on development is something open to question. It would be interesting to go back and see what they were. We did specific things. We built the runway at the airport. Okay, there was a runway there. A plane came in. How much of that contributed? If we hadn't done it, what would have happened? We built the road from Asunción to the Brazilian border, and then when it came apart, we fixed it up again.

Q: When you say you built a road to the border, what about the institution that was supposed to maintain that road? Did you have anything to do with that?

CODY: Yes, but I'm not sure how much impact we made. I worked quite closely with the Minister of Public Works, had good relations with him and so forth. I also worked with the Army Corps of Engineers even more closely, as a matter of fact.

Q: They also worked on the road?

CODY: Not on that road. On other roads. We did a lot of farm-to-market roads, and that's where we put the bulk of our PL 480 monies.

Q: Sounds like a pretty good use.

CODY: We built quite nice demonstration schools going from the first grade to high school. They were regional centers of excellence, about three or four of them, and from that they were supposed to spin out and produce and up-grade other schools. For that we brought in the University of New Mexico to help us. Whether, if I went back to look at them now they'd be there and be worthwhile, or all run down, I'm not sure. But the concepts were good. I have a feeling that a lot of our aid was superficially effective and didn't really get at the root structure of their society to make all that many changes. We started a family planning program there. It was one of the earlier ones in AID. In fact, I was invited to Washington by the then head of AID, Dr. Hannah, to make a presentation of the Paraguay family planning program. Not that it was so great, but it was a first step in a difficult place. We had anti-malaria programs. We were in all the right areas--education, health and agriculture.

A funny thing. One interesting development, Paraguay, as most countries, consumes a lot of wheat. Their total consumption was about 100,000 tons a year, and they produced about 10,000. The rest they bought from Argentina and obtained under PL 480. So they very much wanted to become self-sufficient in wheat production. We didn't say that we agreed that it was possible for them to become self-sufficient, but we'd help them substantially increase output. We jointly raised production to about 40,000 tons. But then we became worried about what they would do in the off season. At our suggestion they planted soybeans. I understand today the soybeans are far more important than the wheat.

In total it was a very traditional kind of AID program, and the individual projects seemed good. We put together a private development bank. The government agreed that 50 percent of the money was to come from subscriptions of individual Paraguayans, 25 percent came from the banks, which were all foreign, seventeen of them. We convinced all seventeen to take in shares. CONDESSA was the name of the bank. And 25 percent came from ADELA, which was a Latin America investment corporation. Then the technical assistance that helped the Paraguayans manage the Bank was provided by ADELATECH, which was a technical arm of ADELA. But it was the sort of country where the sub-secretary for economic affairs in the Ministry of Foreign Affairs, a fellow named Julio Schoup, number three in the foreign ministry, and I could personally reviewed, name by name, and decide who could invest in this corporation and who couldn't invest in this corporation, which most foreign governments wouldn't let you do. So I was accused by the opposition lightheartedly one time of being the *cahero*, cashier, of the Colorado party, which was Stroessner's party. [Laughter] But I was good friends with lots of people in the opposition. You could know everybody after you became accepted.

Stroessner himself was rather interesting person, given the position he held. He was a shy man, basically, unlike most world leaders and particularly unlike most Latin American leaders. He seldom, if ever, made speeches, but he always was there. If we had a program on education, an inauguration, for example, the Minister of Education made a speech and Stroessner just sat there. If we had one on agriculture, the Minister of Agriculture would speak. But Stroessner was always there. The only time I ever heard him make a speech was an impromptu one to a group of Paraguayan businessmen, and he did quite well. But they all mentioned him in their speeches 16,000 times. It was always referred to as "Mi general," "Generalissimo," or whatever. He didn't have a lavish lifestyle, though his children had it a little more lavish. His daughter and son-in-law and the latter's father were in the gambling business and various other enterprises, but Stroessner personally had a fairly modest style. He was an early riser, surprised the hell out of official visitors. They'd be told, "You have an appointment to see the President at six," and they'd discover it was six in the morning. And on New Year's Day, he started receiving visitors,(which is customary to go visit the President), at four in the morning.

Q: Four in the morning?

CODY: Yes. He would get up early in the morning and personally drive his jeep around town, with nobody else in the car, to see how things were going. He was not much of a conversationalist. Most of his conversation with someone like me was, "We're the most anti-communist country in South America and we ought to receive more aid, because we're really on your side and you're giving more aid to some of those countries who are not so anti-communist."

A little anecdote. One time I was alone with Stroessner in his office and he's sitting there next to a big bank of telephones. One of them rang and he picked it up, said a few words, put it down, and said, "Wrong number." [Laughter] Only in a country like Paraguay can somebody call and get a wrong number and it's the President on the line who personally answered the phone. Or maybe it was a wrong number within the palace.

Q: When he said he was a best friend of the United States, being anti-communist, was that also his reason for giving refuge to ex-Nazis? Or were there many ex-Nazis in Paraguay?

CODY: That era had pretty well passed by the time I arrived. There were a lot of Germans in Paraguay, and his grandfather was one of them. They came at different times, as early as the 1870s. I think there was persecution against Catholic Germans at one point, or maybe it was economic reasons that made them come to Paraguay. They came other times before the war, after the war for economic reasons, and there were some ex-Nazis. The only war criminal who was ever proven to be there of whom I am aware was Dr. Mengele, the "angel of death". Under the Nazis he performed medical experiments on children in one of the concentration camps. He subsequently died in Brazil. Earlier he had lived in Paraguay openly and had been given citizenship, if I'm not mistaken. That was sometime before I arrived there.

There were always rumors that Martin Bormann was in the back room of the palace, but, in fact, it turned out not to be true. To my knowledge there were no Nazi criminals. Now, there was a man who used to be openly visible at the pool at the Guarani Hotel, with one leg, who had been an ace in the Luftwaffe, but he wasn't a Nazi war criminal. He'd been a Nazi pilot, but nobody was looking for him. Nobody was looking for him having committed crimes; he just was an ace in the Luftwaffe.

The other notorious person we had there was August Ricord, the real "French Connection". Ricord was finally extradited and put away in a US prison. I believe he is now dead. He was convicted as one of the masterminds of the drug trade. I think it was heroin in this case. He ran a little restaurant and motel called the Paris Nisa, and, in fact, it was the only French restaurant in town. The restaurant wasn't bad. I think at the motel you could rent the rooms for fifteen minutes. But the restaurant was all right. It was rather interesting, because in the way a French restaurant works, you walk in for dinner and the owner comes up and shakes your hand and says, "Bonsoir," then comes by a little later and asks you how the meal was. He performed that role. He had another French exile there who was escaping not drugs but rather an illegal diversion of funds. Travers came to Paraguay en route to Tangier, with half a million dollars in cash and marketable securities.

So to what extent Stroessner was involved in these things, to what extent his people, to what extent he knew that his people were, is not fully clear but there's no doubt certainly some of his generals were and if he didn't know it's probably because he didn't want to. Our ambassador, Ylitalo, a Finnish name, came a cropper on his mishandling of seeing Ricord was brought to trial in the US. though eventually he was brought here and stood trial and went to jail, though he'd never been in the States before, but on the grounds that he had been responsible for things that happened in the States by shipping drugs.

For Stroessner, I think money was a source of power, not a source of opulence. That is, he didn't lead an opulent life. He had a long-term mistress whom he kept in fairly nice but modest quarters, with two children by her. He had three children by his wife. He'd had the mistress since she was sixteen, and at that point she was in her forties. So it wasn't promiscuous. [Laughter] But money, I guess, was power. What he was a master at was just balancing one general against another, because otherwise some other general would have come along and knocked him off, which had been happening earlier where one general succeeded another. In fact, I had a friend whose father was a general who had been president for eleven days. Time went by so fast (when you're having fun) that by the time he was deposed, they just called him up and said, "You're no longer prez." He hadn't had his picture taken with the presidential sash, but they said, "You can come back to the palace and have your picture taken with the sash on." [Laughter]

Q: How were your relations with the embassy?

CODY: When I first arrived, Ambassador William Snow was there. He had been the DCM when I was in Mexico. He was a career ambassador, had been ambassador in Burma and had been ambassador in one other place.

Q: Iceland?

CODY: Something like that. He was a career ambassador. He left within a very short period of time. Two ambassadors followed him. The first one was a political appointee, Benigno Hernandez from New Mexico, a lawyer, who was basically a very well-intentioned person, I would say, but he was over his head. He spent his time on things that interested him rather than setting some sort of priorities in terms of his job. Also, I think he was lazy. I don't know that he would admit to the that. I think he probably privately would admit to being over his head.

To give you an example, one time I asked to see him. We had a Project Heifer program. That's where you send a few farm animals to demonstrate the improvements that better breeding can make in livestock production. We had a plane coming in, an \$18,000 project, but he had taken a great interest in this and he wanted to make sure that there was a veterinarian at the airport, adequate transportation and so forth, so nothing untoward would happen to these animals. The effort had some public relations value. He needn't have been concerned. We were aware of all this. In addition to this, I had \$2 million worth of PL 480 monies that he had to approve basically to build farm-to-market roads and do some other development activities. He signed that off in two minutes, and we spent two hours talking about the \$18,000 Project Heifer. This was typical.

He became very enthused about the Mennonites. There are a lot of Mennonites in Paraguay for a number of reasons, and they've done quite well with very little. He thought we could use this to show the Paraguayans what they ought to do. The Paraguayans weren't about to learn from the Mennonites, and the Mennonites were not about to teach the Paraguayans. You didn't have to look at the cultures of both of them very long to see that neither one was interested in the other. That's why they were in Paraguay, because they could maintain their separateness. But he pushed this sort of thing. Hernandez didn't really worry about the big issues or even know what they were. So he and I had a fair amount of not personal antagonism, because I liked him personally, but a difference of opinion which then he took, at the end, rather personally. I think he probably thought, with some degree of correctness, that I was saying that I was smarter about AID issues than he was, and he was the ambassador and that wasn't right. And that's always a problem you run into. Fortunately, most of the time I had a regional director supporting me in Washington, Jim Fowler, who, in fact, came down once to mediate, who was very good. So in that case I had good relations with the government, good relations with Washington, and not such a hot ambassador.

Hernandez was followed by a much different kind of ambassador, who was less excusable in many ways, Raymond Ylitalo. Raymond Ylitalo was a "career Foreign Service officer." His brother was also a contributor to Senator Mundt's campaign, from South Dakota. Senator Mundt had protected Ray. This was his first ambassadorial post. He had been

consul general in Tijuana before he came, and after Paraguay he became consul general in Toronto. So he was technically a career officer because he'd been in the service twenty years, but, in fact, was a political appointee. He didn't speak much Spanish, was basically an alcoholic, and I would say incompetent. He and I had seemingly good personal relations. The only thing he was worried about was in my relations with the government being so good, he felt was a reflection on him. Initially he tried to say that I shouldn't talk to ministers; that was his job. Then he soon discovered I wouldn't work that way and he admitted that I should talk to ministers, but he didn't like it. From his point of view, that was the only basic difference. In fact, I ran into him once afterwards and he said, "Oh, you should have stayed, Peter, because you'd have helped me with the Ricord problem." He muffed it. Ricord was all set up to leave on a plane that belonged to a certain agency, and Ylitalo muffed it. I was not involved. So that was one case where I had good relations with the government and Washington.

Paraguay is a country where I'd really be fascinated to see someone make an analysis of the aid program over the forty some years we were there. The individual projects, at least when I was there, were going pretty well, with minor exceptions. I wonder what kind of difference we made. I have a sneaking suspicion that it wasn't much.

I went then from there to Ecuador. If Paraguay was a government with stability, in Ecuador they changed the president about as often as most people change their socks. It had a whole series of governments over the period of years and several military interventions. Politicians were much less committed to running the government because they had such a short time to do it. They had had President Velasco Ibarra, who had been president six times and only finished his tour once. He was the sort of person who would say, with some degree of correctness, "Give me a balcony and I'll win the election." And he did. He was there when I first arrived. He looked like death warmed over. He was thrown out by the military in a short period of time.

Q: One of those men were alcoholic. Was he the one?

CODY: No, that's Arosemena. They had to prop him up for official functions so he wouldn't fall down. There were two Arosemenas. I've forgotten--Carlos and somebody else. But they were before my time. When I was there, it was first Velasco Ibarra, followed by General Rodriguez, who was referred to as Bombita, "little pump." He was built like a short fire hydrant. He was pleasant enough, but not very effective.

Q: What kind of a program did you have in Ecuador?

CODY: It was in many ways similar to Paraguay, a little more socially oriented, less infrastructure oriented.

Q: More in education and health?

CODY: More in education and health, less in building airports. We did have a road-building program jointly with the World Bank, but a little bit more in the soft technical assistance rather than hard construction, but in many ways similar and roughly the same size in money and same size in staff. There the government was harder to deal with. It changed. You never had the feeling that the people cared. In that sense, when the military took over, they had a military government.

Stroessner was a general, but he did not have a military government. I think people miss this distinction. A military government meant that almost every minister was a military man. If for some reason he was not, like the Minister of Finance, then they put in a colonel as his deputy, vice minister to carefully watch over the civilian. Throughout the government, they lined the government with military people. The military ran the government. Stroessner had a couple of old buddies, military types. The Minister of Finance had been a paymaster with Stroessner in the Chaco war, but that's not why he was Minister of Finance. He was there because he was Stroessner's buddy and he was paymaster and to Stroessner being finance minister was the same thing. The Minister of Public Works happened to be a general, but he was also an engineer. But all the rest of the government were people chosen because Stroessner wanted those individuals there, not because they came out of the military. It was not a military government. Stroessner had a Minister of Defense who was obviously a general. Stroessner was commander-in-chief. Every Thursday he put on his little soldier suit and went to the Ministry of Defense and held court as the commander-in-chief. The rest of the week, he wore a civilian suit and he was the president.

Bombita, the president of Ecuador, was a general. He was General Rodriguez seven days a week, and the minister of this and that and so forth was General this or Colonel that, generals colonels, seven days a week. They may have had other skills. The Minister of Health, Raul Maldonado, who was one of the ones I came to know best, was a colonel in the Air Force, but he was a physician. He was chosen because he was a doctor, but he was chosen out of the military. If they hadn't had any doctors who were also military, they would have made him a civilian Minister of Health and put in a colonel as his number-two. For example, the ag minister and the finance minister were civilians, but they had military men as deputies who just kept an eye on them. So it was a military government in that sense. I don't think people make that distinction. Just because a colonel or general takes over doesn't necessarily make it a military government.

Q: I really hadn't thought of that distinction. That's pretty interesting.

CODY: We had a number of projects, some of them which went well. We did an education survey which I thought was really first-rate. We had a non-formal education project using the University of Massachusetts, which was exceptional. We developed a game based on Monopoly. We'd get the villagers to play this, and role-playing as well. It was called Asienda, sometimes called the Game of Life. You'd try to get the property of the *asendero*, and if you really won the game, you went to the city. If you didn't land on the family planning square you had to go to jail. We introduced a whole series of concepts into the

game and people would play this in these little villages with their kerosene lamps for hours. It was a very innovative program.

Q: What was the point of the game?

CODY: To teach reading and writing. They became fascinated with the game and were induced to learn read and count not only to play the game but because the game illustrated why these skills are important. Then they had other classes more literally directed at reading and writing, but were influenced to take them by having played this game or continuing to play this game. It would go on forever.

We had a quite active family planning program, and one of the places where it worked the best, surprisingly enough, was in the military. We convinced the head of the military medical program to provide these services for all the families of the soldiers, sailors, and airmen. There were a lot of problems with the family planning, but the military was on our side. We had some interesting projects. Again, it would be fascinating to go back and see if any of these made any impact.

Q: This family planning program, you were in one in Paraguay and one in Ecuador. Did you feel any reaction from the Catholic Church?

CODY: There tended to be opposition, but where I really came across it, both positive and negative, was in the Philippines, where family planning was a major part of our development effort. In Ecuador it was just part of the health program. What was interesting, it was an era when family planning was new and we were sort of on the cutting edge. (Is that an appropriate term for family planning?) [Laughter]

Ecuador is a fascinating country in different ways than Paraguay. There, there are much greater social and wealth distinctions. I saw an ad in the paper one time in Quito, in which they were selling hacienda with all the people. [con todo el personaje adentro]. For sale including everybody inside. The society was very traditional, particularly in the mountains. Ecuador is a small country, but it's really divided into quite distinct geographic regions. You have the mountain region, called the Sierra, and the coastal area, and then you have the Oriente, which is part of the Amazonic basin which belongs to Ecuador, and then you have the Galápagos, which is really unique and special. So you had these four areas. It's one of the few countries in Latin America where the capital city is not the biggest city. Guayaquil, which is on the coast, is considerably bigger and considerably less attractive than Quito in the mountains. There's a lot of rivalry between the coast and the mountains. They call the mountain people *serranos*, which really comes from Sierra mountain people. They call the coastal people *monos*, "monkeys." So they have a bridge, as you cross the river leaving Guayaquil, and they call that the missing link because it connects the *monos* with the human race. But what happens, the mountain people are much more reserved as is the case in many of places in the world, personality-wise, and the coastal people are much more open and less disciplined, but more innovative.

Q: They're the ones where people come from other countries because they're on the coast.

CODY: I imagine so. The mountain people have more of the original Indian (Inca) in their background. Unfortunately Guayaquil is an unattractive city with lots of slums and too many people. For example, the maternity hospital normally has three people per bed. Slums which are shacks on strips of little boardwalks over the sewer and everybody does what they have to do right there in the bay and hope that the tide takes it out. High crime rate and so forth, which was not the case in Quito, though I understand there's more of it now. Quito was the most colonial of the Latin American capitals, and the downtown colonial area was quite attractive. It was a pleasant place to live, as long as the altitude didn't bother you. Fortunately it didn't bother me.

So there I had good relations with the government, but it was not a government you could get close to, and if you did get close to somebody, he would soon leave. I was there during the tuna war, one of the U.S.'s stupider actions. The Ecuadorians said, "We have a 200-mile limit, and if you want to fish in those 200 miles, you must obtain a license, and it costs X amount of money." Well, we didn't buy that, so we said, "No, no. Not only do we not accept that, but we will pay the U.S. tuna fishermen for their license and any fines and everything when they are caught." So what the Ecuadorians were doing, they were not catching tuna; they were catching tuna boats--ours. This was a constant source of irritation. So it made life with certain elements of the government a little more difficult. But anyway, personally I got along fine with the government.

We had another innovative school project. We developed a factory to make prefabricated schools. When I was there, we probably built 250 schools. I'd go to these dedications all the time throughout the country. I had gone out with the governor of one of the provinces in the south and had the road blocked by people who said, "You've have to come to our village and promise you're going to build us a school." And I had the satisfaction of coming back a few months later and dedicating that school.

Q: That would be great satisfaction.

CODY: I had a little canned speech I used to give every time at those dedications. So there were a number of interesting projects in the social area. There were some imaginative people there in the AID mission who developed some of these. Again, I'd be interested to go back and see what difference we made over the long pull, if any.

Q: I was in Quito as a consultant to you, and you had put a citizen of Ecuador into one of your divisions.

CODY: Head of the industry division.

Q: Had that been done in other places?

CODY: To my knowledge, this was the first. I found a lot of resistance in Washington, because he not only was head of the division, but he supervised at least one or two direct-hire Americans and one contract American.

Q: As of this date, do you know what he's doing?

CODY: Last I've heard, he was the program officer in Quito.

Q: So he's still with the mission and in a responsible position.

CODY: I think that's true in lots of missions now.

Q: But you were one of the first, if not the first.

CODY: Ecuador, like my previous posts was an interesting place to be. I worked with two ambassadors with whom I had good personal and working relations. I was personally picked by the first Ambassador, Findley Burns, though he did know me at the time. He and my predecessor had not gotten along at all well. However, since he picked me I was his boy and we had no problems despite the fact that he was reputed to be a difficult person. He was very supportive.

Q: But he was an effective ambassador, wasn't he?

CODY: Yes. He's not an outgoing person, hail-fellow-well-met with all the Ecuadorians, though the Ecuadorians are not that type either, really, particularly the ones in the mountain area. But he was certainly considered to be competent and responsible, and he didn't rock many boats. It's not his style. I think some people had found him a little finicky and limited, but that didn't come across to me. As I said he and I had good relations. There were a couple of areas in the AID program in which he took an interest and I wasn't going to rock those particular boats. One of these was the labor program.

In that era were several programs which if the mission had, the mission director had no choice about continuing them. One was the labor program, another was the public safety program, and a third was a rural development program under contract to an organization run by Ann Brownell Sloan, the daughter of the former Nixon attorney general, who had a certain amount of clout.

Q: Herbert Brownell was the attorney general.

CODY: Yes. We had all three projects when I arrived in Ecuador. My predecessor had said, "If I don't have any choice in these projects, I'm not going to pay them any attention and I'm not going to help them," which is one approach to take.

Q: But if you've got them, you might as well make them work.

CODY: My attitude was, "If I'm stuck with them, I'm going to try and maximize the use out of them." To the ambassador, all three of them were political. He liked the police program because when the students left the university to march someplace, the embassy was generally in the way. So the embassy could call the police and say, "Hey, all those kids are coming by here. Please give us some protection". In the case of the labor program, obviously he didn't want to be at odds with the AFL-CIO. Thirdly, I don't think he wanted Herbert Brownell upset, though I don't know that Herbert Brownell ever intervened on behalf of his daughter.

In any event, he appreciated the fact that I was not going to give him problems about those programs. The only one he was a little nervous about was the family planning program. The Ecuadorians had a rule that all those condoms and pills we imported had to come in under his name.

Q: Under the ambassador's name?

CODY: Under the ambassador's name. For their importation to take place he personally had to sign for them. I couldn't sign for them. That used to make him a little nervous. He'd call me up and say, "Peter, you've got a consignment of condoms. Are you going to put me in trouble with this?" "No, no, Mr. Ambassador. Please sign." And he would. [Laughter] He and I got along quite well.

Then he was replaced by another professional, a very pleasant man, a competent ambassador named Robert Brewster. Burns had been ambassador before in Jordan, came up through the administrative side, which few ambassadors have done. This was Bob Brewster's first post as ambassador. Actually, I had met him once before because he had been the DCM in Paraguay just before I arrived there. I met him in Washington before I went to Paraguay. After Ecuador, he resigned. I could never quite figure out why, but that's a different issue. I thought he was first-rate.

Q: So did I. He had been the director of personnel at the State Department and did a very good job.

CODY: He was very reasonable. I could go and talk to him about anything and not be afraid that he was going to take it wrong or misconstrue my intent. He also had a wife who was a great asset to him.

Q: Mrs. Brewster had had a position on the Hill, I believe, with Congress.

CODY: A very independent woman. I really enjoyed her. The DCM was a fellow named Max Chaplin, who was also quite easy to work with. Max became DCM in Argentina and was chargé d'affaires for a long time. I never did figure out why they didn't make him ambassador. If you're going to leave a person chargé for that long, you either remove him or you make him ambassador. Max was a very reasonable sort of person. So on the embassy side, it was fine. At that point, Fowler had left the Latin American Bureau. I had good

relations with Herman Kleine. I didn't put him in the same class with Fowler. I didn't think he had as much imagination.

Q: Much more conservative than Fowler.

CODY: We had no basic problems.

Q: So in Ecuador, of the three touchstones that you've mentioned, you got along well with the ambassador, well with Washington, but the government was something you didn't know quite--

CODY: There was nothing there to grab hold of. For individual projects you could get support, but the government were so transitory that, at least in those days, their major interests were not developmental issues. I would say that Stroessner had developmental issues, or he thought he did. The trouble was he confused development with the visual. Building a building was development for him. Building a road was development for him. Building an education system was not quite. The schools might be, the buildings, but he thought he had a development, he and his government. I had a very good Minister of Education to work with and a good Minister of Agriculture to work with. Some of the people in foreign affairs were very good.

So I stayed four years in Ecuador, was reasonably satisfied with the projects we put together. The funny thing about projects, four years is the longest I ever stayed, and you tended to work primarily with the projects you inherited from your predecessor and leave other projects to the next person. You aren't always able to know what happened to them. Normally you don't come to know, certainly not in any detail, what happened to them.

There were a couple of projects that I left in Paraguay that I would like to have know how they developed. There was a Municipal Development Bank, which had considerable potential, but could have amounted to nothing if it didn't receive the right support. The Minister of Interior was probably the worst minister in the Cabinet and his ministry had the back-stop responsibility. So I'm not sure where it went. We started a savings and loan institution. I don't know where it went. Or this economic development bank which we organized but had just started to make loans when I left. It would be interesting to go back and see what those outfits did, whether it made any sense. Your successor can come in and maybe the project you thought was just great, he thinks is so-so and doesn't support it. I remember in the Philippines there was a project that my predecessor thought was the greatest thing since sliced bread, and I thought it was a disaster. I supported it because it he had put forth such effort and he had just been killed in a plane crash. But I really didn't think it was very good.

Having finished my tour in Ecuador, people in Washington suddenly looked at their calendar and said, This "young man" has been abroad for ten years. It is his time to come back to the U.S. Four years in Ecuador, four years in Paraguay, two years in Laos. So I was brought back and made head of an office called the Operations Appraisal Staff, which was

attached to the auditor general's office, that office is now called inspector general, headed by an ex-general, a Marine, General Beckington. He's still there.

Q: Beckington was there then?

CODY: No, but he came in just as I was leaving.

Q: He's been there that long?

CODY: Yes. Harry Kromer was there when I arrived.

Q: What were the functions of that office?

CODY: The office had a broad mandate. We could undertake inspections of any aspect of AID operations but it turned out we only did overseas mission. We weren't limited by our charter. We could inspect anything in Washington as well but during my tenure we didn't. We'd go into an overseas mission and make an overall policy, operations, management evaluation of the mission. Or we could go to a mission on a very specific issue and look at just that.

Basically it was an office that was supposed to be made up of ex-mission directors. It wasn't quite true. There were three or four of us out of seven or eight. Some were deputies. The question came up whether it was a staging ground or an elephant's graveyard. It was a little bit of both. [Laughter] I always consider I was there in the staging ground, but . . . So we would pick out a country, usually on our own initiative unless there was some strong reason why we couldn't go. Once we wanted to go to Egypt, and it turned out it was not convenient and we didn't go. While theoretically I worked for Harry Kromer, who was the auditor general, in fact, I worked for Johnny Murphy, who was the Deputy Administrator of AID and, in fact, in many ways was the administrator of AID. He was working for Dan Parker, like in pens, who was the AID Administrator. Parker had very specialized kinds of interests. Most of the things that the agency was doing in those days were run by Johnny Murphy. In this job I was able to see the inside workings of AID in Washington the way I had only occasionally, from the point of view of one country, seen. This is the first time I had ever worked in AID on more than one country at a time. Johnny Murphy chaired a group of number-twos, of which I was one, called the SOG, irreverently referred to as "soggy bottom."

Q: What did SOG stand for?

CODY: Senior Operations Group. It was the number-two of every major unit in the agency. Since he was the number-two and I was the number-two in the auditor general's office, by virtue of my grade. Others included the number-two in the general counsel and the number-two of each of the regional and functional bureaus and other offices. So we had a group of fifteen to twenty people and we met once a week. Then when Harry Kromer was

away, I was the acting auditor general, so at those times I would attend Dan Parker's staff meetings, which weren't as interesting, really.

Q: As John Murphy's.

CODY: Yes. It gave me an insight into the senior workings of AID and the senior people in AID in those days that I hadn't had before, and I found it fascinating. It also gave me an opportunity to choose the countries I wanted to go and visit either from a touristic or program point of view, or both. During the time that I was there, we reviewed the programs in Haiti, ROCAP, (the Regional Office for Central America and Panama). I went to Bolivia, Indonesia, Tunisia, Morocco, Tanzania, Yemen.

Q: The purpose of these trips was to see how well things were going?

CODY: Yes, to make an overall evaluation of the programs. As everybody said, there were two lies that were said when you arrived at the airport. The mission director was out there to greet you and he said, "Glad to see you." Lie number one. And I said, "I'm just here to help you." Lie number two. [Laughter] So you received kind of royal treatment and it was rather enjoyable. It was interesting work.

Dan Parker, for example, one time said, "We really want to turn what AID's been doing over to the private sector so they can continue at no cost to the USG." No more explicit than that. "Why don't you go to South Korea. They're a real good example of where you can do this." So I went to South Korea and found that they were willing to do all sorts of things, but they still wanted somebody (the USG) to pick up the tab.

Q: Like we're still there with a big army.

CODY: Yes. I went to the Philippines to look at the regional development program and a few other places I went for a shorter period of time. But it was a nice trip. It was a nice assignment.

Q: Did the office ever try to come to any overall conclusions about AID and how it should be done?

CODY: Not at the time I was there. I was there a year and a half and we were still going around looking at the pieces. As head of the office, I participated in all the assignments. That is, I would go out with one or two other people. I would stay the first ten days and then they'd stay a month or two to do the work, to set the stage. Or they would go out first and I'd join them at the end. The only one study they did that I wasn't able to go on was a review of the Regional Development Programs in East and West Africa. I did not participate directly in those. Then we'd bring them back, we'd do a report, and we've have what we called a "murder board." The whole staff would sit down and tell everybody what they thought was wrong with the draft report we had. We'd send it up through Kromer to Johnny Murphy to do with whatever he thought was appropriate.

Q: When you came back with one of these reports, would you meet with the regional people?

CODY: Oh, yes. We met with the people before we went out and we'd meet when we'd come back. They didn't always agree with us. I think, on occasions, we probably embarrassed them. That happened with Bob Nooter who was then head of the Near East Bureau and subsequently number in the agency and later went to the World Bank.

Q: I think he was the only man who survived the Operation Tycoon.

CODY: AID had a project in Tunisia to build a road, because the Tunisians had divided up the country in provinces and said, "U.S., you take that. U.N., you take that. French aid mission, you take that." AID apparently couldn't think of what else to do in this province except build a road across it, which, as far as we could ascertain, was one of the original "roads to nowhere" in terms of developing anything, and we said so. But I think Nooter had already committed himself to Tunisia and to the World Bank that we would do it, so he was embarrassed and unhappy that we made that recommendation.

Q: Did the State Department ever see any of your reports?

CODY: I don't recall that we gave them to them. They could have. Whether they saw them or not, I don't recall.

Q: In your reports did you ever find problems with the embassy and comment on them?

CODY: Yes, we always saw the ambassador and discussed the report with him. Some took more interest than others. David Newsom did in Indonesia. I don't recall any controversy, however. I remember when we arrived in Sri Lanka, I went with Peter Askin, and then we played tennis with the ambassador and one of his cohorts. The ambassador's comments at the end of our stay was, "If two guys get off the plane carrying their tennis rackets, don't play tennis with them." [Laughter]

Q: You didn't liaise with the inspector general in the State Department?

CODY: No, we did not. I don't know why, but we didn't.

Q: So after that, that's when you went to the Philippines?

CODY: It just so happened that when I went by the Philippines, the then AID director, Garrett Zimmerly, had been lost in an airplane crash. It turned out he was killed, but when I happened to be there, the plane was still missing. They were looking for it and it had come down in some heavily wooded jungle area. They finally found him; he'd been there about a year.

So when I returned to Washington, I received a call right away from Johnny Murphy asking me if I would go to the Philippines as the AID director, and I said yes. That was in October or November of '76, because I went to the Philippines in December of '76. The Philippines was one of the more interesting programs in which I was involved. It was a large program at the time. It was one of AID's biggest programs, if not the biggest at that time, and had a variety of very good projects. The fellow who preceded Zimmerly was Tom Niblock, who I think was a good director in a forceful sort of way with many good ideas. He wasn't everybody's nicest guy and wasn't all that personable, but he was a good director. He initiated some good very programs, particularly in rural electrification. There was still a bit of a split in the mission between the Niblock forces and the Zimmerly forces. Niblock had been well entrenched. Zimmerly came in and brought some of his own people, but some of the old Niblock people were there.

Q: And Zimmerly had only been there a year.

CODY: Yes. But one thing I didn't do was to load the mission with "my people". Despite the fact that I didn't do so, it was said that I did. Which really annoyed the hell out of me. I just brought two people that I had worked with before during the entire two years plus I was there, and both of them came toward the end, Sam Haight and Mike Hacker. I promoted some of the people from inside. In fact, I made a conscious policy of doing that if it were warranted.

The Filipinos are nice people to work with, and while you would find some old-line bureaucrats and political hacks, they also had a large number of really first-rate, excellent people.

It was interesting to observe how they mixed the variety of talents. I attended several World Bank meetings of the consultative groups to the bank, once in Paris and once in Tokyo. The Marcoses knew who to send and who to leave home. They sent Cabinet ministers who could stand up anyplace in the world--Minister of Finance, the Minister of Plan, the Budget Director some others. They had some others better left at home, and they did. You could divide the Cabinet between his and hers, cronies and technicians, but they knew who was who and they would send the right people. An example was my most immediate counterpart, Jerry Sicat, who had a different title, but he was, in effect, the Minister of Plan. He was really first-rate. Like I said, the head of the Finance Minister, the Minister of Agriculture Budget Bureau, the head of the Central Bank, these were really first-rate people.

There were lots of internal politics in the Philippines and I tried to stay out of these things. You had the Marcoses, who were an institution in and of themselves, maybe two institutions. They were both quite competent people. They certainly had their personality and ego problems. Imelda Marcos, in my opinion, was a good administrator though her vanity got in the way.

Q: She was mayor?

CODY: She was mayor of metro Manila and she was also the equivalent of the Minister of Social Welfare, which didn't include health, but did encompass housing and various other things. One of the cronies were Marcos' uncle who was Minister of Health. Marcos was no kid so this man was quite well along. His uncle was a medical doctor and therefore presumably had some technical qualifications [for] Minister of Health.

Q: And he was not able?

CODY: Not very, but he had somebody else who ran the ministry. I don't think he even did anything, able or unable. Unfortunately, Imelda's uncle was the ambassador to Washington, who was a nonentity. But we had some very good programs. We had an effective population program. We spent about \$7 million or \$8 million a year. I say "we." The Philippine government, with our assistance. The program had 2,000 direct-hire employees, called Full-time Outreach Workers - FTOWS. The Filipinos just love nicknames and acronyms. We had 40,000 volunteers who handed out pills and condoms and gave advice. The population growth rate went down from about 3.2% to 2.6% or 2.7% during the period I was there. You could find dedicated people in the Philippines willing to work in development programs in rural areas. College graduates would go out and work in the countryside, especially women. In many Latin American countries it's, "That's why I went to college, to leave the farm. I'm not going to go back and live on some farm or little town. That's why I came to Mexico City."

Q: But there they would do it?

CODY: Yes. We did the same thing with a small-scale irrigation program, organized into co-ops, and people who worked to convince farmers. Rural electrification was a tremendous success, in part because we really had a Filipino, Pete Dumol, who was as hard working as any person you could find. He visited all the coops. He had a plane. He and I visited practically every one of these electric co-ops, and they had one in practically every province, of which there were seventy-two, and some of them had two. This program brought electricity to four or five million people who hadn't had it before and the coverage was continuing to expand. Dumol would make his people in the city go and serve a year in the country so they'd learn what was going on before they came back, then come back to their job in headquarters. On these trips he would often scare the hell out of these people, ask them questions, go with a balance sheet and want to know all the details. It was a very effective program, and I give a lot of credit for that program to Tom Niblock. He set that up and subsequently set one up in Indonesia, where he went after the Philippines.

The program I was less enchanted about was with Kansas State University, which was a grab-bag. It was an agricultural program that was going to solve all the agricultural programs--ag education, ag policy, ag extension, ag research, ag production. It was just too big a grab-bag. Kansas State wasn't up to it.

Q: And a much different area from Kansas, I would think.

CODY: Yes.

Q: Different climate. One's tropical and one is arid.

CODY: Garrett Zimmerly had served as an Extension agent once in Kansas. One of the reasons the Extension Service has worked in the U.S. and not very well in under-developed countries is that in this country the farmers own the Extension Service and they are generally run out of the land grant colleges, whereas they're simply imposed from above by the government in too many of these developing countries, where the Extension Service person probably seldom, if ever, visits you, and if he did, he'd have nothing to say other than to give orders. That's an overstatement, but that's too often true in too many countries. Anyway, Zimmerly had been a US Extension agent at one point in his career.

We had a had a regional development project. It was an interesting provincial rural development project, where we tried through training and providing resources to induce the provinces to take responsibility for building and repairing roads and doing a variety of things.

Q: In that case you tried to decentralize from the central government.

CODY: Yes, working through provincial governments. There were twenty-two provinces selected as examples, out of seventy-eight, who carried out this program. Again we gave them training and resources. The government gave the authority so they could go out and do various things, for both management improvement and the development of local infrastructure. but in variety.

Q: Did you have any inkling of the Marcos' siphoning off funds from AID programs?

CODY: Not from the AID programs. One thing at which AID became good was avoiding that AID funds were directly syphoned off. In earlier days in places like Indochina monies were diverted from the commodity import programs. For example, in Laos when I was on the desk, we financed the import of barber chairs. The manifest showed these big heavy kind of barber chairs you find in the United States, but the ones that actually arrived were these little aluminum tube things. Somebody put the money for the difference in their pocket. So, in effect, it was directly coming out of the AID fund. AID became quite skillful--presumably still is--in arranging its programs so nothing that's stolen directly from AID. But, in fact, our funds free local resources which can be diverted to "unscheduled" uses. Zaire is a case in point.

Q: To be used otherwise. Fungible.

CODY: Fungible. That's why we feel we can give the Israelis, who have the world's biggest AID program, as far as we're concerned, two checks a year. For almost the same amount of money in Egypt we've have to "projectize" our aid in an attempt to insure the funds are spent as intended. It's a big headache. We feel that by funding certain items allocated to the

budget, we are "clean". We don't acknowledge or take any responsibility for the other money that should be spent for other budget items goes into somebody's pocket. So what AID has done and then pats itself on the back by having so few scandals is it has just meant that you can't steal the AID money. It doesn't mean you can't steal the other.

So I think the Marcoses were not stealing our money, but I'm sure they were stealing other monies and we stayed away from those areas. For example, I was once presented with a project to reduce deforestation, and the standard reason given for deforestation, and an awful lot has occurred in the Philippines, is the slash-and-burn methods practiced by subsistence farmers. We looked into it. It appeared it wasn't slash-and-burn; it was the commercial logging. All the logging was in the hands of Marcos' cronies. I said, "I'm not going to become involved in that project. That's a loser. I'm going to be batting my head against a stone wall with this government in a project where I would be trying to tell Ferdinand to tell his buddies to knock if off." So I said no.

So I don't think Marcos was stealing from us or diverting funds from us, but I think he was diverting funds from other places. There were plenty of other places to divert it from. I'm not saying he was doing it from the World Bank or anybody else like that; just within his own system. It's a big country. You can argue the same thing about Mobutu in Zaire. I'm not saying he took money that the U.S. put in there, but he took an awful lot of money.

I thought the program in the Philippines was well conceived. I took the position of trying to make what we already had going better. People in Washington would say, "What new programs are you going to do?" I'd say, "None. Basically we're going to do the programs we're doing to completion and hopefully do them better." I think this emphasis on new gimmicks every year in the program presentation is a little absurd. Nobody asks you what you did last year; they ask you, "What new things are you going to do next year?"

Again I think there were some very good projects in the Philippines. I obtained more money for the rural electrification program, over Washington's initial vigorous opposition, and then helped induce the World Bank to provide more resources after that. I thought the population program needed continuing support. I thought it was going very well. The same for small-scale irrigation. The only really new project was the one that, in fact, Zimmerly had put on line with Kansas State, but it started when I was there. If I had had my way--but I didn't feel it was appropriate since he had just died and this was his pride and joy, for me to come in there and say, "No good. Cut if off." But I sort of thought from the beginning it was overextended as a project.

There were other smaller projects. We did some things with ag co-ops, ag production directly. Agriculture was one of the more difficult areas, actually, except for the small-scale irrigation, which was going well. These others were provincial administration. The Filipinos were delightful people to work with. Even the Marcoses, as individuals, seemed personable, though I only had direct contact with them on a limited basis.

Q: What about your relations with the embassy?

CODY: I worked under three ambassadors there. When I first arrived there, Bill Sullivan was the ambassador.

Q: That must have been very good.

CODY: That was good. But the funny thing was that Bill Sullivan, in Laos, was in his element. Bill Sullivan, in the Philippines, had reached a not too cordial relationship with Imelda Marcos. He appeared rather bitter or frustrated. I gathered he didn't like being there. He was ready to go. This didn't rub off on me personally in any way, but he wasn't the ebullient charger in the Philippines that he was in Laos. So it wasn't as much fun to work for him in the Philippines, despite the fact we had no problems.

He was replaced by a man who was really great, but, unfortunately, he didn't stay very long, David Newsom. Both he and his wife are really first-rate and competent people. You could talk to him about most anything and receive a comprehensive response. Again, along with Phil Sprouse, I would put him and Sullivan as one of the better ambassadors that I had worked with. His success became our undoing because he was promoted out of the Philippines and became number-three in the State Department, where, I gather, he didn't do as well. As an ambassador and as assistant secretary for Africa, he had done extremely well.

Q: He was very good.

CODY: Yes he was. He was replaced by a well-known ambassador who subsequently became a epigone substitute Henry Kissinger in the Middle East, Dick Murphy.

Q: Richard Murphy. I still see him on television.

CODY: Yes. This was the first time that I ever worked for an ambassador who was younger than I, so that told me something. [Laughter]

Q: How was he to work with?

CODY: He's a bright individual. I always had the feeling--and I could have been wrong--that he was more worried about his career than what he was doing, if you know what I mean. He seemed to be a man consumed about getting ahead. So that he impresses you, in my opinion, with a lack of sincerity. I may be doing the man an injustice. He certainly was a bright enough person, and maybe I was so impressed by people like Sullivan and Newsom, that he was going to look not so hot, no matter what he did. Though, as I say, Sullivan, as ambassador to the Philippines when I was there, wasn't all that great an ambassador. If you don't have an effective relationship with the Marcoses, how great an ambassador can you be? Sullivan went on from there to be ambassador to Iran. He was our last ambassador to Iran, as you may recall.

Murphy and I got along okay, though there was some complaint, I think, that I didn't spend enough time keeping the embassy informed. I did a lot of traveling in the Philippines. I don't think I made any boo-boos in this sense, asking Murphy before I made any decisions that I thought involved policy, to ask his opinion. That was my general rule. I was there to run the AID mission on a day-to-day basis. If I had any political decisions or was going to do anything that would impinge on the embassy, I would go talk to them first. I think there was a bit of a feeling that I didn't go to enough country team meetings because I was out in the countryside. I must say I thought it was important to be traveling a lot, but I didn't necessarily come back and call up the political officer or the economic officer and have a three-hour session with him to tell him all the things I'd seen.

Q: When you came back, did you report it in the country team meetings?

CODY: Yes, I reported it in the country team meetings. It's limited what you can say at the country team meetings. There were 26 US agencies in the Philippines. The Veterans Administration had a bigger program than AID.

The DCM was a fellow named Lee Stoll. Unfortunately for him he blotted his copy book, because knowing that Sullivan had had poor relations with the Marcoses, when he was chargé, after Sullivan left and before Newsom came, he sort of fell all over the Marcoses to prop up relationships, and he overdid it as far as Washington was concerned. I felt they overly criticized him unfairly. He was replaced by Don Toussaint, who was quite good. He subsequently died of a heart attack.

Q: When you didn't go to a country team meeting, did you send your deputy?

CODY: Sure. When I first arrived my deputy was Charles Christian. He was later replaced by Dennis Barrett, who was one of the few senior AID employees who was part American Indian.

Q: Part native American. What about your relationships with Washington when you were in the Philippines?

CODY: The head of the Far East region, who sent me there, a lawyer, had been promoted from general counsel to head of the Far East Bureau, but he left shortly there after because of the change of the Administration when Carter took over from Ford. Then Jack Sullivan took over the position. Jack had been a House staff member. He worked for Marian Czarnecki. For some reason or other, we didn't have problems, but we didn't hit it off. Maybe I gave the impression that I didn't think he was all he might be, or inadvertently, for example, I knew there had been some complaint that our family planning program was too oriented toward just health, so I wrote a long airgram to Washington, pointing out how it was integrated throughout the various aspects of the mission and the government. I started out by saying, "Contrary to some people who have expressed . . .," not realizing that the person who had expressed that opinion was Jack Sullivan when he was a staff member. [Laughter] Somebody told me that irritated the hell out of him.

Then there were just other little things that apparently irritated, that are inconsequential. I had had an operation on my shoulder and, therefore, had permission to travel first class, which by then was no longer the mode of travel for AID employees, including even assistant administrators. Even when Governor Gilligan came out, he brought his wife, for whom he had to pay the ticket, so they rode tourist. Of course, Gilligan was paying for his wife's ticket, and he could have ridden first class. I guess Jack was allowed to ride first class, but had to ride tourist because the governor was there. I thought that was a petty thing, but it really upset him for some reason or other to think that he was riding tourist class and I was riding first class. Eventually I had another physical exam and that was changed. Anyway, we just didn't seem to hit it off. He wouldn't necessarily have been my choice for that job, but he was a reasonably competent person. He had experience and the intelligence. So we got along.

When it came time to go for a second tour, Sullivan decided that he wanted somebody else, so I spent a little over two years in the Philippines, close to two and a half. Then he recommended that I not return. Bob Nooter supported him. In fact, the person who replaced me was a protégé of Nooter's, a fellow who had been director in Bangladesh before. In fact, it was a choice post for which a lot of people were vying.

Q: A lot of people wanted it, I know. Joe Toner was one of them.

CODY: The reason Toner didn't get it is because he was over sixty, and that was that one short period of time that they set the mandatory retirement at age sixty. Toner was forcibly retired. He was under sixty-five. Then they changed the mandatory age back to sixty five. They wouldn't let people those who were forcibly retired but still under sixty five come back.

So I came back to Washington without an assignment, looked around, and the only assignment that was available was Lebanon--and I had no problems with the assignment, except it didn't carry the title of mission director, it carried the title of AID Representative, because it was a small mission and purposely small because they didn't want big political exposure. The job itself was very interesting.

Q: Beirut.

CODY: Beirut.

Q: What year would this have been now?

CODY: 1979. I went to the Philippines in '76. So I agreed to go to Lebanon. In fact, I enjoyed the tour in Lebanon very much, despite all the problems. I enjoyed Lebanon. Lebanon is such a fascinating place, despite its problems, because of its history. The Crusaders and the Romans and Alexander and St. George all had a role there. If you have any historical interest, you can find it there. And the Lebanese people, as individuals are

enjoyable. They do awful things to each other, but as individuals, they were really competent people. I met people I really admired; for example the Sunni Moslem who was my counterpart and equivalent to the Minister of Plan. He could have served as finance minister or that kind of position in any government in Europe--Mohammed Atallah. I worked with local YMCA people and others who were really first-rate.

Q: What kinds of things did you do in Lebanon?

CODY: The Lebanon situation was quite interesting and intriguing.

Q: By then things were rather dicey in Lebanon.

CODY: They were dicey. They'd had the war since '74 and here we were in '79. There was a whole downtown area where you couldn't go. It was controlled by snipers and thoroughly shot up. But the U.S. policy in those days was to help the government of Lebanon, which was a pretty shaky government, under President Sarkis, who was one of their more nondescript presidents, to show that the central government provided services in all geographic locations and to all elements of the population. That is, Shiite, Sunni, Maronite Christians, Orthodox Christians, Druze, etc. We had a lot of very small projects which we tried to plaster all over the place. Some of them were quite successful. Not all of them. One of them, for example, was to train young men as an alternative to going into some of these militia, in building trade skills for a period of four months. It was a mobile program. We had several of them at once. We'd take it to a Druze area, we'd take it to a Palestinian area, and we'd take it to a Maronite Christian area. It was run by the YMCA out of Lebanon. It was very successful. We had young men from fourteen to twenty-four, maybe even twenty-nine. They learned something, they worked at it, and it helped keep them out of the militia. It didn't solve all the country's problems. We trained thirty, forty at a time.

Q: They did that rather than become part of "rent-a-crowd."

CODY: Yes, rather than "rent-a-militia-man" for 600 pounds a month and all you can loot. And we had some other programs in health. We were rebuilding the hospital in Tripoli. We had a housing guarantee program and were able to rebuild some houses, the same house, three times.

Q: Literally?

CODY: Literally, yes. And we had an agricultural program. So I was able to really travel all over that country, and I took additional trips, on my own time. I became very interested in Roman ruins and discovered that in addition to the well known large ones at Baalbek there were in addition about sixty other smaller temples I found around with the help of books and poking around.

Q: Fascinating.

CODY: The Crusader ruins were also very interesting. So I enjoyed Lebanon. I'm not quite sure why this was allowed. My wife and daughter were authorized to be there. In fact, my daughter went for a year to the American University in Beirut. One of our bigger projects was helping them, both the American University and American Hospital, through a separate program in AID, but still it was through AID. The only other non-embassy-employed dependent in Lebanon was the ambassador's wife. There were some couples who worked there. For example, the admin officer's wife was the secretary of the economic section. Or you had two people working the code room who were married. So for the non-embassy-employed dependents, there were only three: the ambassador's wife, Rosa, and Cecilia.

The ambassador there was an interesting person, John Gunther Dean. He was the right ambassador for that place. He was a man with a lot of guts and a lot of gung-ho. He was a little insecure personality sometimes. He was a naturalized American who still spoke English with a strong German accent. He spoke French very well. In fact, his wife was French. I had Lebanese who complained that the American ambassador was always speaking French instead of English, because all the Lebanese speak Arabic and, in general, the Christians speak French and the Moslems speak English, if they speak a foreign language. There are a lot of exceptions to this, and there are a lot of people who speak both. I'll give you an example. The prime minister, who was a Sunni Moslem, spoke fluent English. He had been a professor at the American University at Beirut. He did not speak French. President Sarkis, who was a Maronite Christian, who had gone to St. Josef University, did not speak English; he spoke French. They obviously spoke to each other in Arabic.

In any event, I enjoyed my time there. I was there a year and a half, which is probably enough. At the end of the year and a half, I made some calculations and noted I practically had the full amount of service that one could be allowed to accumulate. I had thirty-three years. Thirty-five is the maximum. So I decided it was a good time to see what I could do as a consultant. I sometimes have asked myself since then whether I could have stayed on a little longer. I discovered, when I came back, where I would have been sent if I had not retired. I would have gone to Jordan as the AID director. That's the plan they had. They didn't tell me at the time. The person who had recently been sent to Tunisia as AID Director was drafted, in effect, to go to El Salvador shortly after that, and I suspect that might have happened to me since I had more experience than he in Latin America. So if I'd stayed, I perhaps would have gone another six months in Lebanon, to Jordan for a relatively short period of time, and then to El Salvador.

Q: Speaking of frying-pan fire.

CODY: I visited a friend in Jordan, and it seemed like a kind of a dull country, actually. Physically dull and activity-wise dull. There are certain things you can see. You can go to Petra and a few other places like that.

I came back from Lebanon and came back to Washington, started looking around for consulting assignments and have been doing this for eleven years now.

Q: This would give you a different perspective, of course.

CODY: Oh, yes. I was able to see it from the other side. I took three assignments in this twelve-year period which were so-called long-term assignments. One was about a year and a quarter in Sudan, one was a little over two years in Kenya, and one was a year's assignment in El Salvador. In addition to that, I took a number of short-term assignments, mostly, with some exception, in either Central America or Sub-Africa, which seemed to be where the money was. Except for one two-month assignment with the United Nations, which sent me to the South Seas, I never returned to Asia. It was always in those two places or here in Washington, And in Central America, mostly in El Salvador.

I mentioned that when I was in Ecuador we had a labor program. I took an interest in it, and then since that time I have worked off and on with the AFL-CIO, particularly American Institute for Free Labor Development, which is their AFL-CIO instrument which carries out programs with AID financing in Latin America. They have similar programs in Africa and Asia, but I haven't worked with them. So they knew me and I knew them, and I did some evaluations of their program three times in El Salvador, once their total program in Latin America and Caribbean. But I did get to know Africa in a way I had not known it, other than my ten-day reviews of Tanzania, Morocco, and Tunisia. I didn't really know Africa before.

Q: Tell me a little more about what you did in the Sudan.

CODY: The first long-term assignment I took was in the Sudan. This was called the Blue Nile Integrated Agricultural Development Project. This was sort of an eye-opener in being on the other side of the fence. Here I was head of a contract team, ten Americans located in the provincial capital called Damasin, in Sudan, which is where basically where the Blue Nile runs into Ethiopia or just short of that. There's a big dam there, so the provincial capital was built up around that. This was a project initially designed to do several things. One, to make comparisons for farmers in growing basically sorghum and sesame seed between improvements in hand tools, then animal traction, then mechanized agriculture, big tractors. At the same time, produce results which could be duplicated throughout the rest of the country in those areas where they grew those crops, and sorghum is grown through a substantial part of the Sudan. Sorghum is their basic staple in the way that corn is in Latin America.

The U.S. government put about \$16 million and the Sudanese put about \$2 million into this project, and we dealt with three village complexes, 8,500 farm families. What surprised and disappointed me was how quickly we forget--we the AID agency--what the purpose of the project was. They came to ask me, "How much have you increased the sorghum production this year?" or "How much have you increased the sesame?" or "How many tractor operators have you trained?" Well, for 18 million bucks anyplace, you can get 8,500

farm families to increase their sorghum production quite a bit. The interesting questions were never asked: How do you evaluate these three different kinds of production systems? How are you going to replicate this in other parts of the Sudan? Because it's obscene to spend \$18 million on 8,500 families unless the results are broadly applicable and replicated. In the first place, instead of starting with improved hand tools, they started with tractors. Well, once you have tractors, nobody wants oxen, much less a hoe that you push yourself. You have to start the other way around or do the same thing in quite different parts of the country.

We successfully operated co-ops to which we were going to turnover the tractors, and we successfully increased the production substantially, but you couldn't help but do that for the amount of money we were putting in. As far as the Sudanese were concerned, there were about forty of them in this institution we built up. What they were interested in was building up job security. We were able to develop the institution. We built the shops and offices, and we built the houses, but we missed the whole point of the project.

I came in when the project had been in existence about three years. There had been a series of problems of one sort or another. Nobody seemed very concerned about this. You could convince people to understand it intellectually, but, in fact, not to do anything about it.

Q: Why do you think that was?

CODY: Because that was the easy way out. I could understand the Sudanese that I worked with, their interest was job security, creating jobs.

Q: But why didn't the AID mission?

CODY: Because I think they realized early on that they had set impossible tasks, and the people who were now there to see that they were accomplished weren't the people who set up the projects. The man who was AID director by the time I arrived there wasn't the AID director who put the project together.

Q: I think that's a problem, don't you, when you don't get to see the end of a project that you've begun? So another person comes in on the project and doesn't really understand or care about what the original intent of the project was.

CODY: Or his track record in Washington is much better if he can lower the goals to how much you have increased production in your project area than if he keeps the goal of how many other areas to extend these kinds of results. So it was a project which at the end had no sense. When the new AID Director came in, he just closed it down. Did the right things for the wrong reasons, I think, but he just said, "I don't like projects in Africa," and he closed it down just at the point when we had a lot of things in place. We had finally formed the staff, we had finished the buildings, we had obtained the PL 480 monies we were supposed to receive, we had achieved about ten different operational objectives that had been forever dragging along. So if you were ever going to give the project, ill-conceived as

it was, a chance, that was the moment. He decided, "No, we'll just close it down," and they did. In a sense he was proved right, because political problems that occurred after that in Sudan would have made it impossible to carry out, anyway, so maybe he had more foresight than I'm giving him credit for.

You are very tempted to say, "When I was in direct hire and ran the missions, I was much better, and these clowns don't seem to be very good at it," and that maybe largely hindsight but at least I always felt (I hope I was right) that I had more control and more knowledge about what was happening. The person I dealt with in the AID Mission who was immediately responsible for the project was quite good. He was involved to a fair degree with the project, but I didn't think the project was very well known or considered important at the overall mission level. The initial project officer was then replaced by a man who couldn't have cared less about what was happening in this project. But it was really, "Don't rock the boat," if you'd come in with nice little reports every month that the Sudanese like you and you're increasing the sorghum and sesame production and you're getting those buildings built.

That was another thing I couldn't understand. I'm not an engineer. But one of my major responsibilities was a \$3.5 million construction project. I worked with a Greek construction contractor who was the equivalent of Richard Nixon selling used cars. He was rather fun to yell at. A man who had a continual cash flow problem. You'd give him money and he'd use one-third of the money you gave him on your project and use the other two-thirds in other projects he had in exactly the same position. You'd yell and scream at him. I'd say, "Yani, I'll buy the materials for you. I'll hire the labor for you. You do the work." "Oh, no, that's not your job. That's my job." We'd yell and scream. Eventually this process produced the buildings, but it was a comic opera when you look back on it. It didn't always seem that way. At the time it was pretty frustrating.

There were not any problems with the farmers, as a matter of fact. The farmers were pretty cooperative. We organized the co-ops so they could buy the tractors and maintain them. We even got along well with the nomads who semi-annually crossed the project area. One of the unforeseen problems that should have been foreseen was that training tractor drivers and mechanics, as soon as they were trained, they were off to Saudi Arabia, because we couldn't pay them the salaries that the Saudis would. In Khartoum, unlike lots of Latin America countries, the long line was in front of the Saudi Embassy, not the U.S. Embassy, for visas.

But it was an interesting project or it was interesting to do what I was doing. The company that had the contract, Experience, Inc., was rather thin in their support, but that's to be expected from most companies that are in the "beltway bandit" category. Though this one was a little more than the term beltway bandit implies. They started as domestic agricultural consultants. Their head offices are in Minneapolis, and maybe on the domestic side they were something more than that. But on the international level, they didn't have a lot of depth. They did as well as they could, considering. Their senior people were good, but not the immediate project officers.

(NOTE: A portion of the interview was not recorded.)

CODY: So I think, one, AID needs to look at its streamlining. Two, it has to ask itself regarding its use of contractors. But the issue we discussed earlier, we've been at it long enough now to really ask the questions that are worthwhile. I'm not sure the answer is yes. Or if it is yes, it needs to be demonstrated. The successful programs tend to be special cases--Korea, where we had a big interest and force there; Taiwan, where we moved into an elite class when the mainland moved in. The Marshall Plan was obviously a success because we were dealing with people who had already been there, that were just helping them get back. When I went to Japan in 1960, we still had an AID program. Obviously that was a success.

There is certain success in things going on in Mexico right now along the border, but how much of that is due to our AID program? I used to say that the "bracero" program with Mexico was one of our more successful technical assistance programs. Agriculture in northern Mexico was much more advanced than agriculture in southern Mexico because all those people had come up here and watched and worked and learned and gone back, though not under conditions of which you would approve, but at least they had that kind of exposure. So even the areas where there is success, then you ask yourself, "To what extent was that success part of the AID effort?" If you built something, sure. Roads are there. You have to ask yourself, "It wouldn't otherwise have been there? Because we built them, did it really change what went on? Or is it just a road that otherwise somebody else would have built?" An airport? There would be an airport in Asunción whether we built one or not. That was one of the big projects I had, was redoing the runway. The same thing in Laos. We redid the runway and the French rebuilt the terminal. But that's not real development.

So, one, you have to define development both in terms of gross numbers and how it spreads across the community. Where has development been achieved and for whom? Secondly, what were the causal factors which brought it about? To what extent was our program in any of these countries one of these causal factors? If it was, in part, one of the causal factors, was it highly significant, more so or less so in some places than others? Kenya has done better in a number of ways than Uganda, while 100 years ago, people went out of their way to go to Uganda and Kenya was just an area you went through on your way to get there. That's why they built the railway, so you could go from the coast to Uganda. A number of other things have happened, but I don't know that Idi Amin versus Kenyatta--it would be interesting to try and trace what our influence has been. I assume if you came up with some answers, it would tell you something to do in the future or not to do in the future. But I have a feeling that the answers wouldn't be very positive.

On the other hand, it doesn't mean that it wasn't worth doing. The political situation in which this was done in the past required us to participate in this kind of actual or attempted resource transfer. The political implications of not having done so might have been quite unfortunate and, therefore, it was worth doing it for those reasons. Maybe we get something. The Peace Corps is the best example.

Q: It's a good example.

CODY: It hasn't done very much for the countries where it's been, but it's done an awful lot for the Americans who were there doing it. So the fact that you didn't come out with high marks doesn't mean you shouldn't have tried, but it does help answer the question, hopefully, of what to do now. Certainly there's no justification for continuing to pump money into the Mobutu regime or, a less extreme case, the Arap Moi regime. I don't know whether Rodriguez is any better than Stroessner. We're not pumping much money in that country anyway. We have moved away, by and large, from our Latin America clients south of Panama.

Q: I don't know if you saw the series of articles, but there's one article in Sunday's paper about the Latin American culture in history, bearing on how well Latin America's done. Do you see any difference in, say, the cultures? You've been all over the world. Between the Latin culture, the Far Eastern culture, and some of the Pacific cultures. Does that have some bearing on how well these countries do?

CODY: I think so, yes. The Far Eastern cultures are a little more cohesive. They have their corruption and all this sort of business. It just seems to be a little bit better organized at dealing with larger numbers of people. You don't get the impression that they're kind of coming apart like they are in Latin American cultures. In the South Pacific, you're talking about fewer people. They are dependency cultures much more than any other I've ever seen.

Q: What I really meant was the Chinese, Japanese, Korean, versus Latin.

CODY: I think you can make the same distinction within the Far East, those who eat with chopsticks and those who don't. The work ethic in Korea, Japan, China, and Vietnam is much greater than it is in Laos, Thailand, Cambodia, Philippines, Indonesia. Malaya, I'm not quite sure. Yes, there is a work ethic that exists in those areas. I don't know what it has to do with it, but it's the people who eat with chopsticks.

Q: They all eat with chopsticks.

CODY: Yes.

Q: Compared with who?

CODY: Not that they can't eat with chopsticks, but the Lao.

Q: Lao don't eat with chopsticks?

CODY: Not as much and not the same way. They do eat with chopsticks. The Lao, the Thai, the Cambodians, the Filipinos, Indonesians. They're a more relaxed culture, all of them. We had an experimental project in the Philippines of a farmer we brought from Taiwan on a hectare of land. He had just manicured this to death. He put eleven kids through college. He

grew rice and in an irrigation ditch, he had fishes and other little things growing. It was continuous harvesting, 360 days a year they worked, the whole family, except when the kids became a certain age, they went off to college. School was very important, but when they weren't going to school, they were working. The Filipinos say, "Hey, that's real good for George, but I ain't gonna work no 360 days a year. That's not living."

Q: They have a point, too.

CODY: You go to Taiwan. I've never seen such manicured hillsides of fruits and vegetables. In Japan, the same way. I am not that much of a sociologist to know why those people became that way and the others became something else. What the Lao like is a picnic. The Chinese like to get out there and work. I think the Lao would say, "We're lovers, not workers."

Q: One of the things we were going to talk about was the attitude of the Catholic Church towards family planning. Tell me about your experience in the Philippines.

CODY: It was an amusing place. The cardinal there was Cardinal Sin, and he replaced Cardinal Santos, the head of the family planning program at the University of Manila was named Mercedes Concepcion.

You saw the extremes in attitude of the Catholic Church in the Philippines. On one hand, the bishop of Zamboanga, which is one of the more southern provinces, was so upset about it that we had young men and women working for us, about 2,000 throughout the country, and had a case where two of them wanted to marry, and since they both worked for the population council, the bishop refused to marry them in the church. That was one extreme.

The other extreme was the archbishop of another place in the Philippines, near Manila, who told me he was the father of family planning. His attitude was that he was going to co-opt the movement. He was going to promote the rhythm, break down a little bit and let people use condoms during the unsafe period, but rely primarily on the rhythm method. So he was the father of family planning and promoted this as the way toward family planning. He personally realized that there was an overpopulation problem. He was willing to bend the rules a little bit on use of the condom, but he didn't want pills or anything like that or sterilization. We had a fairly substantial voluntary sterilization program. He wasn't going to permit that if he could get away with it. And you had all sorts of shading in between. So it went from one end to the other.

Q: Peter, thank you very much for this interview.

CODY: You're welcome.

Q: It's been most interesting.

CODY: I enjoyed it. I'll be interested to see the results.

Q: In the first part of our interview, Peter, we went over your direct-hire experience with the Foreign Assistance Program from FOA to MSA. You began with FOA, Foreign Operations Administration, which became International Cooperation Administration, which became the Agency for International Development. After that, we covered one of your major assignments in the Sudan. But obviously we didn't cover some of your short-term assignments even before the Sudan or your assignments afterwards, so I think we've got a long way to go yet, because, as I've said, I think you are one of the most experienced, if not the most experienced, American that I know in the Foreign Assistance Program. So let's go chronologically now, Peter, if you don't mind, and talk about some of your assignments.

CODY: Being a contractor is quite a different situation from being on the staff, and particularly when you've been the mission director and you're deferred to in various ways, so you note this difference. It takes you a little while to realize it's not quite the same thing, because when you first start out people remember you as the person who was, just a few months ago or whatever it was, the AID director, but increasingly you're there on a different basis.

Q: Does it give you problems in their attitude towards you?

CODY: It doesn't really give you problems. In some ways, you see a different side of the world. As I've said before, I think I would have been a better mission director if I'd been a contractor before. I would have learned things and had perceptions which I didn't necessarily have as a director. But it takes a little bit of an adjustment to do this. You don't do things or have them done as before. I think it's useful to have worked under both sets of circumstances in terms of having a broader perspective.

When I left AID, the first job I had was as part of a technical assistance team to Haiti. It was under the "Baby Doc" regime. The Ministry of Plan wanted some help in defining what their planning system was and to design a training system to have people do it better, but they didn't want the basic system changed. This sounds strange. They were very explicit. "We don't want you to come down here and make changes in the system; we want you to come down and tell us what our system really is." How can you know you don't want changes if you don't know what it is? "Then design a modular training system by which we could improve our use of the system."

We did that. We were a team of six people. I think the report we did was fine. I have a suspicion it was never really used. That's one of the problems, even more so as a contractor than as a direct hire. You don't really know what happens to what you did. If you continue to work for the same contractor company and they work in the same country, you may or may not find out. I'd occasionally hear a little bit about what's going on in Kenya and another project I did on export promotion, but in general you don't hear. I don't know what

happened at all to this Haiti project. I thought our report was good, given the time period under which we did it. Whether they used it I don't know but doubt it. I was an interesting job, and it was my first assignment as a contractor.

In that case when I went to Haiti, the person who was the USAID program officer there had previously been the deputy program officer for me in Ecuador, the fellow who was the chargé had been chargé in Cambodia, so I really hadn't left the fold as much on the first assignment as you do as time goes by.

The second assignment I had was for four months. I was, in fact, filling in the end of a long-term position, though I was a short-timer. I was filling in the end of the long-term position in a rural assessment and manpower study (that was the name of the project) in Mauritania. I was in the capital of Nouakchott, which some irreverent folk refer to as "Upchuck." Mauritania is, in many ways, the most underdeveloped country in which I ever worked. Laos was very underdeveloped, but at least most of the people in Laos were settled in communities, which may have had very little monetization and be very primitive in a number of ways. That is, they didn't have much money. They didn't buy very much, they didn't sell very much. They did most of the things locally. But a substantial part of Mauritania is desert--in fact, I'd say it's sort of the world's biggest desert--and a lot of the people are nomads and they just move around, so they don't have schools. At least Laos had Buddhist schools at the village level which took you through a certain level of education. These people, a lot of them just didn't have schools. They moved around. The society was under considerable stress because their way of life was not proving productive.

It was the only country that I'm aware of that, when it was a colony, the capital was in another country. It was in Senegal, in the Saint-Louis across the border, on the other side of the river. So when they established the country, they just looked for a town, which turned out to be a fishing village, halfway up the coast, Nouakchott, and they made that the capital. It had become a city of some 175,000 people by the time I arrived there, but it was tent city. Most of the tents were those of the nomads who had moved into the edge of town because their existence in the desert was under threat.

Given the fact that the country was so primitive in a developmental sense, they had this enormous project. It was a number of millions of dollars--at least five, I think, and, as I say, I came in on the tail end of it--in which they were going to do a series of socioeconomic studies on all sorts of things in practically all development areas. First they did a first layer of "basic" studies, then they had the second layer, which brought together the findings of the first layer, and then further summaries. It was a pyramid. My particular function was to develop a model for predicting the effect of various the alternative levels of investment in agricultural development, which was most important productive sector. So I made projections to the year 2000 as to what would happen if they continued their present policy and a couple of alternatives on how they might do things better. It was an interesting exercise for me, but there was less contact between the AID mission and the local people, I'd say, at least the team I was on, (which was some twenty people) than I had ever experienced before. Hence I had little feeling that my efforts affected or even reached the

Mauritanians. As I say, this was a long-term project, and I was just filling in for a long-term job. We had one person with whom we worked who in function would have been the minister of plan, except they didn't have a minister of plan, so he headed an office in the finance ministry, and he was the only senior or middle level Mauritanian government official I ever met. Our health man did have a little bit more contact. The agricultural people didn't, the education people didn't. Surprisingly it didn't seem to bother anybody very much. We were doing our job.

The job, itself, was intellectually stimulating though unfortunately I wasn't able to travel very much, least of all the USAID. I did make one fascinating trip into the interior, but, in general, I stayed in Nouakchott. However, I had to have a four-wheel drive vehicle to get home, even though I lived in town, because of the shifting sands, and I could watch the camels that lived next door go to work every day.

The social structure of Mauritania is interesting, to say the least. They made pronouncements several times when I was there that slavery had really been abolished, but there was some doubt in their official voice. It's a society in which the Moors, who are the politically dominant but less formally educated because as nomads don't have a chance to go to school. In contrast the people among Senegal River in the south where there's agriculture are settled and have more opportunity to attend school. They happen to be black and have less political power despite their higher level of education.

Q: That makes for an interesting situation.

CODY: Yes. I don't know how they really sort this all out. But we, certainly in our project--and I obtained the impression that neither the AID mission or the government were really much involved. The country had another problem in which I was not at all involved. It was related to the Polisario movement, the Spanish West Sahara. They wanted to be independent from Morocco. At one point, Mauritania had been on the side of Morocco fighting the Polisario, and then Mauritania dropped out and become neutral. This added various problems to Mauritania's efforts toward development but our programs was not involved. Anyway, I was there four months, and it was an extremely interesting scene to observe.

Q: You have no idea whether any part of that study was ever implemented?

CODY: Or even considered. In health, for example, everybody agreed what you needed were preventive health facilities and services, not curative health. With limited resources, you just don't go out and build more hospitals. The minister of health and the government say, "Oh, yes. we agree." Because they wanted funding, and the first thing they did was to build a new hospital in Nouakchott, rather than have clinics out where these nomads and other people could get them, because the populace was going to say, "We want to see something," and you can see a hospital in Nouakchott. If you have little clinics around the country carrying out preventative medicine programs, you don't see as much. So they knew, at least on occasions, what to say. So that was an interesting assignment. I had never been in

a country where I was that much non-involved, or the Americans were that much uninvolved, despite the fact they had, I assume, by local standards a fairly major project.

From there, I went to a really fascinating project. I was working for Vince Checchi Company in Nouakchott, I think the second oldest consulting company in the Washington area, after Robert Nathan. From there, they sent me, as part of a three-person team, to El Salvador to do an evaluation of the land reform program. The land reform program started in 1980, and this was '81. Clarence Long, who was then chairman of the House Subcommittee on Appropriations, said, "No more money for land reform unless we have an independent evaluation." So we went down to evaluate the land reform program.

Now, there I really felt we had more of an impact, or, if nothing else, our evaluation was responsible for continued financing. We convinced Clarence Long that the program was working, or our report did. We never met with Long. I don't want to give too much of the history, but the land reform program was supposed to have three phases. One was to intervene in haciendas of more than 500 hectares and convert the regularly employed workers on the hacienda, or *fincas*, to become an agricultural co-op to run the business, that is to make them into profitable and viable agricultural businesses.

Phase two, which never really was carried out, dealt with those *fincas* between 500 and 100 hectares. One of the reasons why Phase II was not carried out was it didn't get implemented--not the only reason, but one of the reasons--was that most of the coffee *fincas* fit in that category, and they were worried about discombobulating their major source of foreign exchange. The bigger *fincas* tended to be cotton, sugar cane, and cattle.

The third program was to allow sharecroppers to buy up to seven hectares of the land they had been sharecropping. That is, you had landowners who had an extension of land, and they just simply put it out to sharecroppers, basically growing corn and beans. Previously, they had badly exploited the people and taken a substantial portion of their output. In addition their tenure on the land was poor and they could throw them out or move them almost at will. So this program much less of a change of the way of life for the small farmer in terms of production methods. The small farmer continued to grow corn and beans as before, maybe in some cases under less favorable conditions as he didn't receive as much credit as he might have before. Under earlier arrangement the landlord might have provided seeds and fertilizer which now became difficult to obtain for those who owned their own small plot of land and they now had to pay in cash or for credit, if available. However, the small subsistence farmer had the security of owning the land and could not be forced off as easily.

So those were the three aspects or titles of the land reform. Though, in fact, only two were being implemented. Most people thought there was a violent reaction to the entire program. In fact, under Title I they intervened some 500 haciendas with only one shot fired in anger. The greater violent reaction occurred much more in converting the sharecroppers to small land owners. The big *fincas* owners tended not to live on their *fincas*. This was absentee landlordism; they had a professional staff that ran the farm. And they had a back door to

their own problems of displacement; it was called Miami. There was a street in Miami--Bickel Avenue I believe--where many of them moved. But anyway, it wasn't as life threatening for them. It made them mad, and those kinds of people might have been ones who helped finance death squads subsequently or at the time. But for the people who owned 100 hectares and had the sharecroppers on them, they felt this more directly in the pocketbook much more. They often lived either there or in a neighboring town. They were in bed with the local military at that point. At that time the military was a very diffused and decentralized kind of outfit. This allowed a lot more violence and intimidation at the local level.

Among the people and organizations who were most actively pushing the campesinos to apply to convert their shareholdings into property were the rural unions supported by the American Institute for Free Labor Development, which is an institution of the AFL-CIO. In the division of labor of our three man evaluation team, I wound up doing that part of the analysis of the program to transfer land to the sharecroppers. The head of the evaluation team was a distinguished academic named Don Paarlberg , who was an emeritus professor of ag economics at Purdue, and during the Eisenhower, and maybe Nixon administrations, had served as senior official in the Department of Agriculture. The third person was a young man from Checchi.

It was a fascinating experience. We had the Government of El Salvador officials drop us out in the middle of an area of sharecroppers, and the government people would go away and leave us alone. We'd just go around and talk to people and ask them questions about what they thought about their role and benefits under land reform. Hopefully without the GOES officials they would be less intimidated in responding freely. We did the same thing in the big hacienda. Unlike the Mauritania experience, I was very much involved with local people at all levels. There were two land reform agencies, one for each of those two programs I mentioned, plus the Ministry of Agriculture. Each of the three appointed a coordinator who helped us meet people. They were very good about not intruding where we didn't think they should. We met with the union people. The only people we didn't really meet with were the guerrillas on the other side of the war. But as far as the government and society with whom we could touch base we talked to everybody we could.

The land reform issue was obviously a concern of the government, so this was an important political and economic issue. As we discussed earlier I was posted to El Salvador in the '50s, and I still ran into people that I knew were helpful. At that point, a man by the name of Alvaro Magaña was the head of the Agricultural Land Mortgage Bank. He subsequently became president, but at that point he was head of the mortgage bank, which made loans to haciendas including those intervened under the land reform program. The entire experience was an opportunity to jump in the middle of what was, in some ways, one of the more important things going on in the country at the time, and we produced a report which produced the money for AID to continue its assistance, I was there about three months.

After that, Checchi sent me on a short trip to Liberia, really to do a home office report on a program at the Agricultural and Cooperative Development Bank. Again, it gave me a chance to see a country in considerable disarray. In recent years Liberia has gone into

disarray even more so due to disruption of the destructive civil war. even more so. When I visited the bank we were assisting was literally out of money. Liberia doesn't have its own monetary system. They spend the dollar, like Panama. You think of countries going out of money, but most countries, when they do that, they print it, and therefore the value goes away but there is money even if of little value. Now, in Liberia, they had just run out of money. The bank literally didn't have any dollar bills, so they weren't making any loans. Monrovia looked like a very shoddy, run-down southern town in the United States. I may be unfair. I was going to say the worst of America exported, but it isn't quite that. It had its own character, but it's not one of the most attractive places to live that I was in. I was only there three weeks and that is not enough time to judge.

The next program I worked on after Liberia was also a fascinating one. I was technically employed by the U.S. Department of Agriculture. In fact, I worked for AID. I was under what was called RASA which is a device AID used to hire more people than allowed under its personnel ceilings.

Q: RASA?

CODY: I don't know what it stands for, but it's an outgrowth of PASA, which was Participating Agency Service Agreement. Well, RASA was the next outgrowth.

The thing that amazed me about this assignment, I was hired to help develop a project for the control of African animal trypanosomiasis. Trypanosomiasis is the disease carried by the tsetse fly. The fly carries the trypanosome which produces the disease. There are twenty-two varieties, twenty of which attack animals and two attack people, and what the people get is sleeping sickness. Trypanosomiasis attacks all domestic animals except poultry. It affects them in different ways, but the one with which we were particularly concerned attacked cattle. It either kills them or makes them very lethargic, and they don't produce much milk, and little commercial produce beef. Over time, it kills them. It attacks camels, it attacks goats, it attacks sheep, and it affects an area in Africa roughly the size of the United States or slightly bigger.

On the other hand, wild animals have developed various protective immunity systems or ways of beating off the fly, which is perhaps one of the reasons why there are as many wild animals in certain parts of Africa as there are. AID and others had tried a whole series of ways to solve or lessen the problem such as, looking for drugs that would make the animals resistant or ways in which to destroy the habitat of the tsetse fly or breeding sterile flies, none of which worked very well. The tsetse fly is a hardy critter, and if he bites you, you know it.

In any event, they wanted to do two things. They wanted to beef up the capability of the Bureau of African Animal Research in the OAU, Organization of African Unity, which is the equivalent of the OAS for Africa.

Q: That's located where?

CODY: Well, the headquarters was located--and I assume it still is--in Addis Ababa, but that particular office, the African Animal Research, was located in Nairobi, Kenya.

They wanted to build up the capacity of that office, and, in addition, they wanted to establish four regional offices in Africa which would provide technical assistance, which would, in a sense, be overseen by that central office, but four regional offices which would provide technical assistance to countries that wanted to fight this problem. The U.S. was willing to finance one of these offices. It was hoped that the U.N. would finance another, and they were looking for donors to finance the rest.

So we had a tripartite team--FAO, AID/USDA, and OAU--that visited a number of countries in East Africa, and we also went to some in West Africa, and we visited donors. This was a thing I always found a little odd. I think one of the things that has happened to AID over the years is that the role of the contractor has increased considerably in certain aspects. Here I was, as a contractor, heading up a team which had members from two international organizations with a mission to visit and solicit other potential donors, such as development assistance offices in London and Brussels and FOA in Rome and others forth and the African Development Bank in Abidjan, trying to develop interest and secure funding, and then going to see the recipient countries to see if they were interested in the program as well. I'm sure that most of these people did not make the distinction between me as a contractor or a direct hire representative of the USG. I came across as a representative of the U.S. government. I thought this was an abdication of responsibility. The team leader should have been a direct hire AID or USDA person. We had four people from the U.S. side--two contractors and two USDA permanent employees, real USDA, not people on loan from AID. We had three FOA and two OAU. It was rather amusing. I was called the team leader by the U.S., and the FOA called their number-one man, who was a Dane, the project coordinator. For each organization, we were the chief honcho.

Now, we personally didn't have any problems with this arrangement, though we could have. We divided the chores. When we went to an English-speaking country, in spite of the fact this man was a Dane and English was not his native language, he did the lead talking. When we went to a French-speaking country, I did the lead talking, both of us speaking in languages which weren't our own. But we didn't visit very many Danish countries. The other FOA was a French vet and a Ghanaian entomologist, and in the OAU, we had a Cameroonian and a Tanzanian. In fact, the Cameroonian was the head of the Office of Animal Research. He now works for FOA. It was an interesting assignment. In addition to studying the tse tse fly we visited Ouagadougou where the World Bank had a very successful program in terms of results in eliminating the black fly, but it's a different kind of insect, which in Africa causes river blindness. But its breeding habits are such that you can get rid of it with a little DDT. You could do it here, but we don't. The black fly doesn't carry river blindness in the US.

Q: What was the upshot of the project?

CODY: Well, I'm not very sure. We did our report. Whether in fact the US did any of the things they planned, I don't know. I think the Italians were convinced to take one of the sub-projects and I think also the U.N. took one. Whether we ever took any, I'm not sure. I think not, as a matter of fact. We went to countries like Ethiopia, which was a sensitive country to visit then. Again, I came across as the U.S. representative, which seemed a little strange in a country that politically sensitive for the US. And we went to Rwanda and Burundi and various other places.

Following that program, I went back to El Salvador. In this case, I was employed by the American Institute for Free Labor Development. (AIFLD) Their contract said that before the end of their contract they had to have an evaluation of their program in order to determine if they were to receive an additional grant. Their grants were normally for three years. This was in '82. And combined with this evaluation I was to provide some management technical assistance to the major union of rural workers who assisted campesinos who had, or wanted to take advantage of, the land reform program particular those wanting to move from being sharecroppers to owners of small plots. The union formed the subsistence land owners into co-ops, and the co-ops were designated as rural unions rather than co-ops. The small unions were in turn we members of federations and this over-all confederation.

I was trying to help the confederation of unions improve their administration at the central office and to grasp the notion they ought to hire some technical and management professionals. The thought was if you've been elected from such and such a province because you're popular with the unions, that you know how to run, for example, the finance department. Every one of the members of the board of directors had a department he was supposed to supervise. Well, those selected may or may not have had the knowledge and experience to run his department. I think I was one of the ones who convinced them they needed to hire an overall administrative officer who was not an elected official, and have professionals or semiprofessionals as heads of these various departments--education department, finance department, promotion department, etc. We worked in setting up the programs, and also I wrote the evaluation which, in fact, secured AIFLD its money. They probably would have received it anyway, but they did receive it.

The AIFLD program in El Salvador, because of the land reform, was the biggest they had in the hemisphere. Normally AIFLD had a regional grant which covered the whole hemisphere, including the Caribbean. When they had special cases like Salvador, and for a while Grenada, they had a separate program apart from their regional one, so this was just the Salvador program. I had worked with AIFLD when I was reviewing the land reform program, and now I was working for them, but as an evaluator of them.

Q: There is one program where you actually made some recommendations and you saw some of them being implemented.

CODY: Yes.

Q: That must have given you much more satisfaction.

CODY: Yes. There were always delays and setbacks and backsliding and so forth, but in general they went forward. I went back in '85 and reinforced the progress and went back again after that in 1989.

In between times I went to the Sudan, which I think we've already covered. When I came back from Sudan in '84, the only other project I under-took in that year was an interesting project. AID has, some people would say, a "pork barrel" office called American Schools and Hospitals Abroad. Then it was a line item in the AID bill. I assume it still is. It was then and for a while thereafter. I think it still is. It was a program where a lot of congressmen could dump their favorite projects, and particularly favorite projects in Israel. The program provided funding to an American school or hospital that was operating abroad. Actually in many cases the institutions continued to maintain a legal connection with the US but, in fact, had become indigenous. Those in Korea has become Koreanized. In Israel, I'm sure they've become Israelized, and this was true in many places. Not that they weren't worthy institutions, but the programming process of how AID spent its money, in effect, was modified by this legal fiction.

In an attempt to hold off some of the congressional political pressure--and I applaud the AID office for this--they appointed a board every year to review the projects that they had received so that they could have a rationale to give congressmen who didn't have their projects approved. They said, "But our independent board (and it was an independent board) thoroughly reviewed the proposal but didn't approve it." And we would review separately all the institutions that had requested projects as institutions, and then we would review separately--I think there were seven of us on the board--all of the projects that were presented, and rate them, and then certain ones were approved and others weren't. But this gave them some defense for those that didn't and gave them some basis for making their decisions as to which would be approved and which would not be approved. One of the biggest ones by far was the American hospital in Beirut and the American University in Beirut, which I believe deserved the money, I think.

Q: I think you're still giving money to the American Hospital in Paris.

CODY: The next project after that, another short-term project, took me back to Central America, but in this case in quite a different context. This was the promotion of exports, non-traditional agricultural exports, which meant fruits, vegetables, flowers, live and cut plants, those kinds of things, in which, looking for climatic windows, there are certain periods of the year when Central America has some advantages to compete with Florida or Northern Mexico. The Dominican Republic is also doing this. In the case of certain other products, like flowers, Colombia is also exporting to the US. The idea was to assist in developing and increasing the technical capacity of trade associations which would help their members have the capacity to enter the export market.

This is one project where I did receive some feedback later on, at least in some of the countries. In Guatemala, particularly, it worked. I learned this because I was by chance back in Guatemala on another assignment. In Honduras, where at the time it was thought it was the most developed association to do this, it didn't work as well for some reason. I'm not quite sure why. A side note is that the Guatemalan Federation was almost entirely staffed by women. I don't know if this had anything to do with it or not.

In any event, one of the major and most difficult problems to be overcome is that this is a very demanding market. The importers at Miami or those places are not "good guys" in the sense that they're going to forgive you for anything. If your commodity arrives and it isn't exactly the color and the standard and the size wanted at that time, they're likely to say, "Thanks, but no thanks." And getting this message across is a little difficult. For example in Costa Rica, a bunch of campesinos wound up at the airport with a truck-full of tomatoes to export to the U.S., and the tomatoes were left to rot on the tarmac and they found it difficult to understand why.

Our job was to design a program to help show the associations how to obtain the information, how they should organize, how they and their member could be put in contact with US importers and investors, how they could obtain current US market information. We had a computer specialist on our team. This was in '85, when computers were well beginning to be used in this manner, but the process was not as well advanced as it is now. One of the interesting things--and this indicates the change I think that has since taken place--the computer specialist we had--and as team leader I fully agreed with him. We wanted open access to the computer by the individual members of the trade association to the associations computers, but there was still an element, and OAS was one of these people supported the idea that said, "No, no. This is a very arcane thing. They come and rap on the door and "as for Joe" and we'll give them the price quote they but not show then how to do it themselves. I think this has been overcome, but it was interesting to see that there was still that attitude, even among an organization like the OAS, or at least the advisor of the OAS, who considered this something that you held the information back. Information is power.

Q: As always. Wasn't there an organization in Central America that was financed way back by the Rockefellers, that did something about standardizing exports of agricultural products?

CODY: There may have been. If you recall, going back at least to the Nixon administration, Nixon administration had coined the term, anyway, during that administration, of "special initiatives", and one of the special initiatives we had was export promotion. We had a program in Paraguay. We had an advisor in response to that, and I think we probably had it in many places in Latin America.

So that gave me a chance to spend some time mostly in Guatemala, but also Costa Rica and Panama, Honduras. I didn't go to Nicaragua that time. Again, I think it was a project that probably had some value.

The next project I had, I'm not sure I should even mention. It was with PRODEMCA. The CA stands for Central America. Promoting Democracy in Central America, I guess is probably what it's an acronym for. It was funded by NED, the National Endowment for Democracy, and it was done, really, through AIFLD. What I was helping to do was to set up administrative arrangements to support the opposition groups which were still legally in Nicaragua. The Chamorro run newspaper (Violeta's husband) I think was still operating then, and particularly the union movement and business groups and the church. Not the contras; but rather the legal and above-board opposition. They had some financial problems brought by the Sandinistas harassment, and this was a way to try and help them.

Q: Specifically what did you do?

CODY: I just helped devise some of the administrative procedures by which this was done. I did it in Costa Rica. I didn't do it in Nicaragua. I met with these people from these organizations who came over to Costa Rica from Nicaragua. It sounds kind of CIAish, but it wasn't.

Q: It sounds very important.

CODY: It was not the contras. We had no dealings with the contras.

Now we're up to 1985. I went back to El Salvador to do the second evaluation of AIFLD. I told you it was supposed to happen every three years. They had it built into their contract that AIFLD would hire the evaluator. I say that because the third time it turned out they had an independent company hire a team of evaluators. So in 1985 I did a similar kind of thing to what I did in '82. I again sat down with the rural unions and reviewed the progress they had achieved in making improvements of their administration and tried to make some additional suggestions. This was in addition to evaluating the AIFLD program in general. Again, made the observation that while they weren't all that good in carrying out development activities, their political support and encouragement was essential in keeping the free trade movement active. I still felt they didn't do enough with trying to help the Phase I land reform co-ops become agricultural enterprises that would function effectively.

They were supporting the democratic trade union movement there in opposition to some non-democratic trade union movements which were supporting the guerrillas. At that point in '85, presumably they were on the side of the government. This meant they agreed with what the government was doing. It was the Magaña government at that point. This fellow who had helped me before at the bank had become president. They'd had an election in which presumably D'Aubuisson won, or claimed he won, but the military was not about to let him come in because of the image this would have created vis-à-vis the U.S. D'Aubuisson was the man who was accused of being the right wing death squad leader. He died not too long ago. That's Roberto D'Aubuisson. "Major Bob".

In any event, the Army said, "No. This will just rock the boat," and so Magaña was installed though he had not been elected. Magaña was an accomplished bureaucrat in the better sense of the term, a Ph.D. in economics from the University of Chicago, not overly so, but a reasonably conservative stripe. He studied under Milton Friedman, though I don't think he would fully fit in the Friedman sociopolitical category.

Q: You probably get some pretty good basic economics, though, with Milton Friedman.

CODY: In any event, he had become president at that time. So the unions were more or less in favor of the government, but obviously had differences of opinion on a number of things, and thought not enough was being done to promote the land reform. It was an interesting time. I made the evaluation, basically said that while there was some failings in their ability to carry out social and economic development programs, like literacy or improving co-op administration or various other things, it was well worth politically to keep the momentum going.

Following that, I went back to Africa, back to French-speaking Africa. As I say, with some minor exception, in post retirement work, I either went to sub-Sahara Africa or to Central America, and this was back on the African trip, Zaire, the southern part of Zaire, which had various secessionist movements during the year--it was called Katanga at one time--of which the capital, formally Elisabethville, is now Lubumbashi. That province, because of the secessionist tendencies was given a new name, Shaba province. It's on the border with Zambia.

They had an agricultural development program in North Shaba which had been quite successful in a number of aspects, except that they built a very heavy overstructure, which was being paid for by the project. AID wanted to develop a project which would be more self-sustaining, but not depend on the government for central Shaba. I've never been in a country where I got the instructions, and the government confirmed this, "To the extent possible, do not involve the government in your project."

Q: I don't understand.

CODY: "Because the government was and I'm sure still is crooked and incompetent."

Q: And you got this from some part of the government?

CODY: It wasn't put in those terms, exactly, publicly. We were told this by the AID mission and the embassy. So we looked for ways in which the activities we were proposing could be supported without the government, but with one exception - road building. In that one exception we relied on the government office because the World Bank was running the show, so that was okay. There was a Frenchman running the regional office of the highway-building service. In the other cases we looked for a private organizations to carry out the programs.

Q: There's some kind of control.

CODY: Yes. In the case of a seed farm, we indicated we were interested in the development of a seed farm to be built in a certain area and produce specific kinds of non-hybrid seeds, because we're talking about farmers who weren't up to using hybrid seeds. We wanted it built more up-country, not down in Lubumbashi. So we asked the question, "how much subsidized investment do you have to put in to induce a private investor to construct in and run this enterprise in order to make a profit?" That's a way of not involving the government. You start from the beginning and say, "By itself, this endeavor isn't going to pay for itself, even if we went and build it." So we built in some subsidies, which are in effect provided by the AID mission, but basically it's a private seed farm, but it has certain responsibilities to produce seed of a certain sort and get to certain places.

We proposed the same procedure for railhead storage. We proposed to set up an extension service, with the Peace Corps, with the church groups, with private companies, like a cotton outfit, that wanted farmers to be better equipped to grow the cotton they want to buy, so therefore they provide some extension services. There was a government extension service that didn't include because it was thought to be corrupt and arrogant toward farmers. We hoped to provide on-farm storage by designing systems which would pay for themselves at the on-farm level after an initial subsidy. We did provide some observation for the government planning office who accompanied us on our up-country travels. It was intended they would learn something in the process, but they're not responsible for it. Now, in terms of getting authorities, all these villages have a local chief, as well as a government representative. The traditional chief often is considered to be the more important figure. He often wears some little leopard skin as part of his clothing.

Q: But he probably has more authority.

CODY: More authority, at least in a ceremonial sense. We'd go to see him first, and we'd sit and watch the little dances and things before we'd go talk to the government person. In a number of cases the local chiefs were eager to have a meal with us because they were prohibited by tribal custom from eating with their "subjects" and they were tired of eating alone. I hadn't really seen the back woods to that degree of rural Africa as I did in that trip. In Mauritania, I'd gone way out in the countryside, but mostly what I saw was sand and a few camels. Then there were some villages and some Berbers or Moors. But here you went to villages where, allegedly, in some cases they'd never seen a white person. I'm not sure that's true or not, but at least they were very primitive. You could drive 200 miles and not meet a moving vehicle going either way.

Q: You were the head of that team?

CODY: Yes. I went there on two teams, really. First was to produce what AID calls a PID, a Project Identification Document. In that case, I was only ostensibly the head of the team. I wasn't actually the head; I was the economist. But, in practice, I was the head because the man who was did not feel comfortable in the role. He preferred to use his technical skills. Then we went back with a team of thirteen other people, plus people from AID, so it was

about a twenty-person team when I was officially the head. That was to develop the project paper.

Q: That was to actually develop the project paper?

CODY: The first was kind of a concept paper, and the second was the project paper, per se. Completing the Project Paper was made more difficult because they kept changing their minds as to what it should include. I understand after we submitted the paper they subsequently made more changes, which is normal. The AID director was the first to admit that one of the problems they had was they kept changing their mind as to what they wanted. I referred to this as rolling guidance. We'd get something done, and they'd say, "We'd like a change." You wouldn't go back to square one, but you'd have to go and make some changes, I think even after we gave them their paper. In fact, they separated it into two projects. They took the road part out and made it a separate project and left the rest a another project. And I don't think they kept the railhead storage element, but I understand they built the on-farm storage and the extension service and the seed farm. I'm not absolutely positive. But they were pleased with the paper at the time.

Q: Was it here where you had some disagreements with the ambassador?

CODY: Yes.

Q: Let us discuss the relationship with the ambassador, the AID mission, your project, and perhaps the economic counselor. Did he get involved?

CODY: Yes. Well, the ambassador in this case--wrongly, I strongly believe-- wanted the economic counselor to oversee and, in effect, run the AID mission. He wanted to consider the AID mission as a sub-element under the economic counselor, and he supported and took the counselor's word, seemingly without question.

I remember there was one particular issue. Part of the initial plan was to provide some rural electrification. If I recall the numbers correctly, at least it will illustrate the point. The economic counselor made an evaluation in which he had amortized all the construction and installation costs in ten years and then said the project wasn't cost-effective. Nobody amortizes an electric generation and distribution program over a ten-year period. That's absurd in this country or that country or any other place. But he just wanted to get his foot in, and the ambassador stood by him and said, "No, cut that out." And this was after the Embassy had indicated their approval to move forward in developing the project and AID had brought their National Rural Electrification Cooperative Association to make a pre feasibility study. They had spent a lot of money both AID and particularly the NRECA. I thought it was really unfair to this outfit that they should be encouraged to spend all that money to send teams out and then rule out the results on such illogical and technically incorrect (if not absurd) grounds.

Q: This is the team from here in the United States?

CODY: Yes. The National Rural Electrification Cooperative, the NRECA. It's a big institution here. They had a big program in the Philippines when I was there.

Q: It was headed up by the son of former Ambassador Bunker.

CODY: Just the overseas part. They have rural cooperatives throughout the United States. The overseas part is one-tenth or one-fiftieth of their total business. But rural electrification is a big deal in the U.S.

Q: It's another one of those terrible ideas of Franklin D. Roosevelt, rural electrification.

CODY: But Sam Bunker was the head of the overseas office.

Q: Nice guy. I knew him in India.

CODY: Dick Podel was the AID Director, and he subsequently went on to be AID director in Uganda, and he'd been deputy in Tanzania when I was there in the mid-'70s, a well-seasoned, qualified AID director, but not a real strong personality, so I think he let the Embassy people push him around, which was too bad, because I think his ideas were right. As I say, I was the one who was asked to present the first program to the ambassador, and that's when I wasn't even head of the team. Anyway, it was an interesting assignment.

Q: You were there for how many months?

CODY: A total of about six months.

Q: Isn't Zaire considered to be perhaps the place where AIDS got its--

CODY: I think Burundi. I don't know what the theory is now. At one point it was a little green monkey. I saw something in the paper the other day about a chimpanzee.

The program in Zaire, I'm sure, is undergoing some changes, because nobody denied that it had one of the least lovable dictators, Mobutu, in terms of ripping the place off. Whether it was true or not, the story was that their national debt was about \$16 billion, and his personal wealth in Switzerland was about \$16 million. He was ripping the country off. He was not very well loved. But we were using that part of Zaire to facilitate our operations in Angola. It was very much a part of the Cold War. I would assume that the programs in Zaire no longer have that justification, and if he's not doing things to help his society, our support ought to be far less than it has been, probably zero.

But in any event, it was an interesting assignment. It was a very primitive place. Lubumbashi is not a bad place to live. Kinshasa is. The climate is awful. Lubumbashi's climate is much nicer. It's higher up than Kinshasa. In Kinshasa the climate is poor, crime is

rampant in the street, you're worried every time you step outside your hotel. I wouldn't want to live there. We had to spend time in Kinshasa, because we dealt with the AID mission, I'd come up from Lubumbashi and I'd spend up to a week or so in Kinshasa, but I much preferred Lubumbashi. That used to be called Leopoldville.

The role of the Belgians in Zaire is also still--well, it was then-- very evident. I think they've largely left or have been thrown out. The big moneymaker for Zaire, and it was located in and around Lubumbashi, is the copper mines run by the Belgian company called Gecamines. If you never saw Charles Dickens kind of working conditions, visit a copper smelter in Lubumbashi--people jumping over live coals and similar things, and you work four or five years using a little cloth mask for the fumes, which is just a piece of gauze, which, on an eight-hour or twelve-hour shift, it isn't worth a damn. Maybe you can be a watchman for another five years before you die.

Q: That's terrible.

CODY: Really horrendous kind of conditions. But the Belgians, like the French, in many ways, it's a love-hate relationship. There's more intermarriage and what have you with the people of the country than do the British, who are much more standoffish.

Subsequent to Zaire I had several Washington assignments with AIFLD. I worked with them in obtaining an Biden-Pell amendment grant to promote education on foreign aid projects and issues. The grant I helped AIFLD was to help the AFL-CIO hold seminars throughout the US to educate its rank and file on why the AFL-CIO was involved in foreign labor movements. I just did the paper to secure the grant and helped convince AID. I never saw any of the results though I understand they were highly successful.

Q: This was to inform the rank and file of the AFL-CIO why the AFL-CIO was involved in--

CODY: AIFLD or the similar institutes in Africa and Asia, to update them on foreign issues related to labor.

My next assignment after that was to go to Africa again, this time on a long-term assignment with Price Waterhouse. This was the only time since I left AID as a direct-hire employee that I again became an "employee". On all the other assignments, even on a long-term basis, I was a contractor. When I went to Sudan, it was on a long-term basis, but the company, which was Experience, Incorporated, is an employee-owned company, and they didn't want short-termers like me to think they owned the company. They made it quite clear I was a contractor. But in the case of Price Waterhouse, I was hired as an employee, albeit for a finite term related to this project.

Q: But you were an employee of the company.

CODY: I was an employee of the company, as long as I met the time standards, (which I didn't) eligible for retirement, for example. But for health and anything else, I had all the benefits of being a Price Waterhouse employee.

Q: The other times, you had no fringes. But with Price Waterhouse, you had health coverage and so on.

CODY: Technically, I was a contract employee of their Washington office, called OGS, Office of Government Services. In fact, I was an employee, from a practical point of view, of their office in Nairobi, which is basically an office run by British nationals. It's not an adjunct of the London office, but it's run by Brits, and it's a separate practice. They divide their offices into practices, like lawyers.

I found it an enjoyable experience. I enjoyed working for them. It gave me a new perspective. In this case, however, I found the AID mission very strange. The AID mission took very little interest in this project. I think one of the reasons they did not--but it still didn't justify their taking very little interest, since it was a big project--was because it was a project of a previous director, Chuck Gladson, and I had known Chuck Gladson and he probably was the one who initially approved my going there. Chuck Gladson had come out of the general consuls office. He had previously been director in Thailand. He was followed by Steve Sinding, who had come out of the population office, whom I'd also known, but Steve didn't take much interest in this project, and the management of it was delegated to a Kenyan employee, a woman.

Q: A Kenyan employee of the AID mission?

CODY: Of the AID mission, a direct-hire Kenyan employee.

Q: What was the project itself?

CODY: The project was an agricultural management project. The project was based on the theory--which I think is a good theory, an assumption--that if you improve the management of the institutions, public and private, that deal with small farmers, either by buying their product, transporting their product, providing input such as fertilizer to growing their product, regulating their product if they're a government agency--

Q: Or financing.

CODY: Financing their project with loans if they're a bank, that deals with small farmers, if you improve the ability of these companies to deal with the small farmers, you will not only help these companies or institutions, you will help the small farmer, which is the end objective of the project. And I think this is a valid assumption. I think initially the idea was more to help the private sector.

Kenya had--and probably has still--a number of para-statals, organizations that run businesses but are owned by the state. One of the major outfits that provided farm inputs was a para-statal. The factory that processes and exports macadamia nuts is a para-statal. Another outfit that processed vegetables and things that they sent abroad was a para-statal. Then you had the cotton board and the corn marketing distribution board, and then you had a whole series of cooperatives.

I was amazed to find how strong the cooperative movement was in a country like Kenya. Kenya, I guess, is a country of some 20 million people. In one province, there was a coffee co-op organized, 90 percent by people who grew coffee in just this one province. It had 114,000 members. Now, a co-op in El Salvador, which, admittedly, is a much smaller country, say 8 million people, a co-op of 150 members is considered big. Coops tended to be organized along both geographical and product lines--coffee, tea, sisal, cotton, dairy, etc. So they were also eligible to be our clients.

The idea was that we would find these clients, and we would carry out a management-needs assessment and determine what the management improvements needed to be introduced. The operating principle came to be that we'd do the needs assessment for free. Then we would make a series of proposals in the assessment for technical assistance and training activities which would meet the needs that were identified in the assessments. The client would pay anywhere from 30 to 100 percent of the cost of carrying out these training programs, depending upon their ability to pay.

To give you an example, one of the clients was Barclay's Bank, which makes loans to small farmers. It turned out they didn't know much about their system for loans to small farmers, because these were very small loans at the discretion of the regional manager level, so they didn't have much consistency, they didn't have much information. Big loans they made at the headquarters, they knew all about those. So Barclay's Bank was one client. We would expect them--and I assume they did if they went ahead with it, because it hadn't started by the time I left--to pay 100 percent. We had a very small fishermen's co-op--small, 100 members. This was the smallest co-op I saw Kenya. It was located at in Lake Nivasha. There we only charged them a nominal fee, really less than five percent.

Q: Now, you were located where?

CODY: The AID mission decided to locate this project at Edgerton College, now expanded to a university. This had been an agricultural school of some excellence, at a secondary level, turning out practical ag technicians, which had been started by the British and had evolved from being all-white student and faculty to being practically all-black Kenyan student and faculty. AID had helped it quite a bit with buildings and equipment, about \$50 million. They had a team of visiting professors assembled by the University of Illinois, and they had some Peace Corps people teaching there. They had a big interest, and they wanted to utilize the facilities.

Q: Physically it was located where?

CODY: Physically it was located about two and a half hours northwest of Nairobi, toward Lake Victoria, almost halfway to the lake, near the town of Nakuru. It was located, actually, in the town of Njoro. This university had a training center complex which included office space and classroom facilities for us to use, so it was a good location for us in terms of facilities. It was difficult in the sense that more of our clients were likely to be located in Nairobi. I spent an awful lot of time going back and forth to Nairobi.

But it was also hoped--though no real steps were taken; unfortunately, the only provision was sort of osmosis--that this would help develop an ag business curriculum at the university. It could have occurred if they'd take the steps to do it, and they may have done so since, but at the time they hadn't really put those resources to work. We attempted on occasion to use faculty members as experts, but that only had minor success. Eventually before I left, they did assign two members from the university to be part of our staff, but then they became part of our staff rather than an integration with the university.

The supervisor was, in fact, the person who had been the director of the college. He the vice chancellor of the university. The president of the country is the chancellor of the university, and he was the vice chancellor, Richard Musangi. He was our supervisor, but he soon delegated this function to one of his deputy vice chancellors, a fellow by the name of Juma Lugogo who was quite good. It was a good location.

The problem was that the government had never really accepted this project. It was initially put forward as a help to the private sector, but the government didn't want to just do that, so they said the government had to be part of it. But the government hadn't accepted the idea that they should pay. To too many government officials training, to them, was a vacation to the States to buy a TV. The concept of introducing private sector management techniques to government hadn't come through. The people who put the project together and eventually approved it (with some reluctance) hadn't really sorted out what everybody's objectives and responsibilities were in this project. The basic objectives of the project in my opinion were quite good.

The AID mission took a very offhand view of the situation. Steve Sinding particularly. I saw him maybe three or four times in the over two years I was there, but on a very superficial basis. His new deputy came out to visit the university because they had such a high investment in it. He came within thirty feet of my office and never came in. I saw him at a social function later. We talked about old friends we knew in Central America.

Ostensibly, the USAID head of the agriculture division was involved. He came out every once in a while, but he didn't take much of an active role. He largely delegated the USAID role to a Kenyan woman on his staff who basically adopted the Kenyan point of view. You could understand that, but it didn't support the objectives of the project. We had a board of directors who were made up primarily of members of various government offices, like the Ministry of Finance, Ministry of Agriculture, the Ministry of Livestock, and Ministry of Co-ops, who most of the time didn't get the point. The only people who really understood

the basic concepts were the private-sector members, and they had a couple of very good ones and they were very supportive. One of them became one of our clients, and I think we did him a lot of good, because we would go in and do things like review financial management practices, corporate strategy, inventory control, pricing policy, personnel management, and we would bring competent practical experts to bear. We obtained them from three sources. The first was the local Price Waterhouse office, which had a large staff of consultants in Nairobi. We also had a subcontract with Louis Berger. Usually if we obtained somebody from abroad, it was Louis Berger who hired them. We didn't do too many of those, one or two, one at whom I'm looking at.

Then we were supposed to make arrangements with local consulting firms, in part to obtain their expertise and in part to upgrade the local consulting business. The idea was that once our project was over, the remaining potential clients, as well as of the actual clients, would then realize that this was a service which made sense, and they would go to consultants and hire them. We had mixed performance from the local consulting firms. On one hand, a lot of them were quite unhappy we didn't use them as much as they thought that they would or should. We used them as much as they contract said. They wanted to be paid more money. And while some of them were extremely good, some of them were very poor, and some of the very poor, senior people who just didn't show on the day they were supposed to show, including one of the deputy vice chancellors of the university where we were located. The vice chancellor for academic affairs just didn't show, because he had some other problem that he didn't choose to discuss with us. And a couple of other such cases. Over the life of the initial contract we were supposed to work with twenty-four clients. We had contracted twenty-one clients by the time I left. I think we carried about sixteen or seventeen needs assessments, and we were on about the fourth technical assistance program. One third of our clients were to come from the private sector, one third from the public and one third the cooperative movement.

One of the issues, which I think was a non-issue but became important, was training. They said we weren't doing enough training. We were saying, well, we were doing lots of training; we just didn't get chalk on our coat every time we did it. It wasn't all in the classroom. Well, they considered training as bringing people in to spend a week, receiving *per diem*, listening to lectures or being sent off to the United States to go to training, which is what they really wanted, whereas, we considered going to the offices of the client and sitting down with his sales staff and telling him how to improve their sales policy and inventory policy and financial management policy was training. But it wasn't held in the classroom; it was held in the offices of the client.

We brought the senior members of the client organization, the owners, together for a corporate strategy session. It was where we'd take them off for three or four days, if we could get them that long, at least two or three, and go through a whole series of routines about what the organization was all about and what their strong points were and their weak points were and what the obstacles were and how they could overcome them and what were the givens they had to live with whether they liked it or not. And we got first-class people from Price Waterhouse, I must say, a few of them from England, most of them from or

already in Nairobi, and many of them were Kenyans. I'm not saying they were all Brits, because I'd say the majority of them were Kenyans. We had one or two from the States, as a matter of fact, from Price Waterhouse.

Q: To your knowledge, is the project still going?

CODY: The project is still going, but they must have reshaped it, because we used up most of the funds that were provided. They either put a lot more money in or they reshaped it. I think they moved a good bit toward the formal "training" program, as a matter of fact, and I don't know what it consisted of. But just running canned courses at the university, they might be useful in some way, but that wasn't innovative. I didn't see that they met the objectives of the project. But, as I say, the AID mission didn't seem to care.

Q: I wonder how often this is true, that with the change of personnel in the AID mission, ongoing projects are either dropped or not fully backed. I think this is a real problem.

CODY: Yes. As I think we said when we were discussing my responsibilities as a direct hire, you generally wind up implementing your successor's projects and having your successor implement your projects. You have to stay there for a length of time before you're implementing the projects that you put in place, or they have to be ones that you put in place the day you arrived there. It takes that amount of time. I might have different views about the projects that I inherited and I might give them different emphasis, but I didn't keep them and then not pay attention to them. If I kept them, I paid attention to them. I felt a responsibility for all the projects in the program. I just couldn't understand why there was such a lackadaisical attitude about this project from the point of the AID mission, particularly in an era when the administration is jumping up and down that "privatization" is being the greatest thing that ever happened. We were trying to move para-statals into being more like private institutions and presuming the process could have moved them to actually becoming private institutions. They could have taken steps to make that university have an ag business program, but it would have required taking steps that they weren't doing, and our project could have been part of the vehicle for doing it.

We had a lot of problems with the project's board of directors at that point, but this was basically because the government and the AID mission hadn't really sorted out what it was this project was all about. So we spent an awful lot of time just debating minor issues at that board meeting and establishing who was who and people making little speeches. As I say, it was the government members, by and large. There were some exceptions. The sub-secretary from the Ministry of Cooperatives was pretty good. He had turf battles, but at least he wanted to fight them on the right plane. He wanted the project to benefit his co-ops and for him to get the credit, but at least he was willing to do the right things in the co-ops. Whereas, the people from agriculture were the worst. They really didn't want us messing in their business, and there's no way in which they wanted the Ministry of Agriculture to be paying money for us to help the management of their agricultural para-statals. But it was an interesting assignment.

Q: Did you have any relationship with the embassy?

CODY: Very little. The ambassador came out one time to visit the university, since the U.S. government put in a lot of money. It was a woman. I can't remember her name. But practically none, in a substantive sense, and none at all in a social sense. And as I noted, very little dealings with the AID mission.

Q: Nothing with the ag attaché?

CODY: No. We dealt a bit with the private enterprise division of the AID mission, but, again, at the Kenyan employee level, which meant they weren't the senior people in the office. I went to Nairobi often, but I normally went to visit Price Waterhouse, not to visit the AID mission. Occasionally I went to the AID mission.

To show you how little contact there was, and I find this hard to believe, much less understand. I introduced my boss, the head of the consulting part of Price Waterhouse, to the AID mission director. Price Waterhouse had at least five, and probably more, contracts, some of them fairly big--they had a very large one with the Midwestern Consortium of Universities--with the AID mission. I introduced my boss, who was in charge of all of these, to the AID director. If I hadn't taken the initiative to do so, it probably wouldn't have happened. We were having lunch downtown, and the AID director happened to walk in. I'd known him from the Philippines. Maybe if I hadn't known him from the Philippines, I never would have met him, either. He was the backstop officer in Washington of the population program when I was in the Philippines. He was the head of the Washington office for population, and we had a big population program in the Philippines. Even after this chance introduction I don't believe the AID Director ever followed up. I really couldn't understand this kind of hands-off operation.

Another illustration (and maybe this is petty), the University of Illinois was doing a review of what had happened to the graduates of the institution they were working with - Edgerton. Now, I just happen to know, because the same company, Experience, Incorporated I worked for in Sudan, did a similar study for the Zamorano ag school in Central America, a technical ag school in Honduras, initially put together by the United Fruit Company with students from all over Latin America. I said told our AID liaison woman, "I know that AID has just done a study which would be very applicable to this study that you want to do here of this school." I suggested the AID Mission write to the AID Latin American division for a copy. She couldn't be bothered. That didn't affect me, but just another indication of an insular kind of attitude. But whatever the Kenyan government did, she was in favor of it.

So I stayed there for my contract period and came back. I enjoyed Kenya very much. Kenya is a fascinating place to live.

The wheel shifts again, and it's Central America again. No sooner had I returned to Washington and I stopped in to see the people at AIFLD and they said, "We're having another evaluation of the El Salvador program." It should have taken place in '88, but the

timing has slipped and it's now scheduled for '89. "This time we have to use a consulting company," which turned out to be Checchi again. I was the head of a three-person team, and we went down and did an evaluation, the same thing, and came up with similar sorts of answers, that the political situation and the political benefits of having AIFLD there justified their continuing presence despite there not being very proficient in providing technical assistance. There were exceptions. The US Bricklayers Union was successfully developing a construction workers training center and the funds were being channeled through AIFLD but it was largely an independent effort. AIFLD was directly involved in carrying out a successful housing reconstruction program in response to the November 89 guerrilla offensive. Their technical assistance efforts, particularly in agriculture, still needed some refurbishing, but we recommended they should continued, and they were given another \$15 million to cover three more years. Included in this \$15 million was money to set up a labor-management foundation. One of the ways they could improve their ability to carry out socioeconomic development projects was to set up sort of an independent foundation, which in addition to getting start-up money through the AIFLD program, would receive what amounted to PL-40 monies or local currency monies through the government of El Salvador.

Going back a bit, prior to going to Kenya I headed a two person team to carry out an evaluation of the whole AIFLD program, except for El Salvador. As I indicated before, the Salvador program was pulled out and handled separately from the AID LA grant to AIFLD. So was the Grenada program, but since it hadn't been evaluated, I did the Grenada program as well, an interesting assignment. So it was the Caribbean and the rest of Latin America, though, in fact, it turned out to be mostly Central America and two countries in the Caribbean. The only South American country I went to was Bolivia, in part because they felt the others weren't a problem and didn't have the resources, and secondly, they cut back the program substantially in South America. They still have programs in all the countries, but they have one person handling maybe three countries instead of one or more AIFLD staff in each country as before.

Q: For whom did you do that one?

CODY: The people who had the contract was an outfit named Devres, the same people for whom I had gone to Zaire and the same people I had worked for on the Central America project for export promotion.

So a two-man team, a man who had worked for Texaco as a labor relations person on the management side, and I went and started out in Barbados and Grenada and went to all the Central American countries, except Salvador and Nicaragua, and went to Bolivia, and then came back and made recommendations which, again, formed the basis for AIFLD's continuing to fund AIFLD.

I became involved in a little bit of a dispute with AID in Bolivia. AID has a tendency to have a negative attitude toward AIFLD because they consider it a sacred cow that they're stuck with, and this sometimes provokes reactions on the part of the AID officials. It

doesn't always, but it does sometimes. But in Bolivia, they had paid little attention to the AIFLD program, and as I pointed out in my report, I induced the AID officer to this project to go with me to Santa Cruz, but it was the first time in the living memory of anybody around that an AID official had ever gone outside of La Paz to visit an AIFLD project. They didn't deny the accuracy of this. But they didn't like my saying so. They denied the implications of it. We went and visited the place where Ché Guevara was killed, which happens to be the center of the petroleum industry, and the petroleum workers happened to be a union which AIFLD was helping in Santa Cruz.

The Bolivian labor movement is rather unique. There's just one labor movement, and it's dominated by the mine workers and all unions must belong to it.

Q: So no matter whether you are, you're a member of the mine workers union?

CODY: No. You're a member of a confederation which is headed by the mine workers union. You're a member of that confederation; you don't have various confederations. Different unions act differently. Only certain unions were allied with AIFLD or received AIFLD support, and only certain unions wanted to. Different ones had varying political tendencies. But the union movement is organized in that highly structured way, which isn't true in most of LA. It may be true in Mexico. Maybe you have to belong to the one Mexican confederation. The CTM.

Q: So he was just re-elected the head, Fidel Valasquez

CODY: Yes, at the age of 94, or whatever it is. I enjoyed the evaluation. The Grenada experience was particularly interesting. I won't recount it, because I don't remember all of it off the top of my head, but the politics in Grenada and the different forces at work were an intricate pattern for such a small place. It was my feeling, at the time anyway--and maybe I was wrong, because I haven't seen it pop up in the newspapers--that we were leaving too soon. If you recall, the prime minister was murdered. He was a left-wing type, but he was murdered by a more extreme left-wing couple, and the unions were kind of split up and down on different political sides. It was fascinating. A little tiny island, quite picturesque to look at. AIFLD had a very good man there named Charlie Wood.

The Barbados labor movement was quite well organized and as far as I could see, effective. I was somewhat surprised. Maybe I shouldn't have been. In Central America, the union movement in Honduras is probably one of the better ones. I think it was, in large part the caliber and possibly the depth of the leadership. In Guatemala, the labor movement is one person. He's an interesting man and has his pros and cons, but they have developed no depth.

Q: Could this one be the result of a Latin culture and the other the result of a British culture?

CODY: It might be, but Honduras is a Latin culture.

Q: That had a pretty good labor union.

CODY: Yes, relatively speaking. Well, Ecuador was not all that hot, for that matter, whereas I think some of the ones in other countries are.

It was after that and after my return from Kenya, that I did the evaluation of the AIFLD El Salvador program, the third evaluation, the '89 evaluation, and, as I say, we concurred in the recommendation to support the development of a labor-management development foundation. It wasn't just my original idea. It really came from Bill Doherty, the head of AIFLD. This concept really had its roots back in the proposed CATO program, under the Reagan administration.

After that, I was asked by AIFLD to go down to Guatemala and fill in as the head of their rural development division there. The man they had there had to leave in a hurry, and they were in the process of recruiting a new long-term person. In fact, they found him and I broke him in. But I spent an interim period there of about six months, which was really, in a sense, getting back to the working-level kind of job which I found enjoyable. My clients in Kenya were firms and government institutions, or maybe co-ops and all at a different level of the development. Here, I was going back to working with small farmers in striped pants (local garb, not the State Dept), many of whom couldn't speak Spanish, trying to put together a credit and technical assistance program for three areas of Guatemala through the union confederation, CUGS, and using their staff, but going with them and helping develop this staff. They had already worked for one year in one area. We were working there for a second year and adding two more areas.

We carried out this technical assistance and loans to small farmer program in these three areas. The initial one was on the coastal area bordering Mexico; the two new ones were in the mountains in the area around Quezaltenango; and the region over toward the Honduran border. We were trying to help them develop the ability to plant crops that would both meet their immediate needs, like corn and beans, for subsistence purposes, and develop a crop that they could sell. In the coastal area near Mexico, it was sesame. We were also trying to help them look for ways of marketing the product internationally. In coastal area, the farmers didn't have land. The first thing they did with the money they borrowed from us was to rent some land. What a lot of these people do, they're farmers and they pick seasonal crops, but they really want to have their own land. If they can save any money they buy land in very small amounts, say one-sixteenth of a hectare if that's all they can afford.

Q: Not enough for real subsistence?

CODY: No. And then they built a house and they plant small plots. The campesinos in the mountains had more land, but they're in very inaccessible areas. These are the groups that wear the Indian costumes and don't always speak Spanish, and this is the area where a lot of the guerrilla activity is going on, so they have some security problems. The third area was a little better off in terms of the general level of income. They weren't the Indians in the sense of wearing the traditional costumes and not speaking Spanish. In those cases we were

trying to see if we could help them grow vegetables and other products which they could either sell to the Guatemalan market or, hopefully, if they could become adept enough at it, to export.

My job was to work with the union confederation carry out and develop this program. AIFLD hired a young man who came down and took over in a period of time, and then I left.

When I came back to Washington, the project in Salvador, this labor-management institute was sufficiently accepted that AIFLD first sent me down there to help develop that project, further define the concept and really start from the very beginning. That is, you decide what kind of a board of directors you want to have. You have talk to as many of the people who might have ideas or an interest in the program as you can.

Q: Real institution-building from the ground up.

CODY: You talk to people and ask them for recommendations as to who they think should be on the board. You draft the statutes of the institutions. As you go through these stages, you reach to the point where you rent office space, buy the furniture, decide what kind of staff you're going to have, you interview people, you hire the people, you work out the project. You just start, really, from scratch.

Certain things were given by the AFL-CIO. We agreed early on we would have a ten-man board of directors--four from labor, two from management, and four from, for lack of a better term, we called professional--that is, people who were neither, who helped sort of blend together the two. Out of those ten people, really, in a sense, six of them were given to me. I interviewed people for all positions and had alternate candidates, but when the chips were down, AIFLD decided who the four labor people would be. I'd give them some alternatives, but they basically made their decision. They decided who one of the management people would be, because it's someone they'd worked with, the head of the construction trade association who had worked with the union development program. He turned out to be one of the least desirable on the board and eventually left, and the AIFLD representative who turned out to be one of the best, the ex-ambassador to Washington, Ernesto Rivas Galant, who was the only member of the board who represented an institution. It was an interesting arrangement. The people came from sectors, but once they were on the board, they were supposed to represent themselves, with the exception of the one who came from AIFLD. Now, the labor members never understood this. They represented the union they came from, and that's all they represented. You could talk about it, but that's the way they were. The other members were public members, including the other management member. They didn't represent their company.

Q: When you went down to Salvador this time, you were just setting this thing up?

CODY: I first went down as a short-term consultant to set it up. Eventually, they asked me to go down on a longer term basis, which put me in a bit of a problem with a job I had taken in the interim, in between these two.

In the midst of this going from the short term to the long term, I went again with Devres, this company I had worked with before, to the South Seas on an FOA program to do agricultural sector surveys and a five-year programming mission for FOA programs. There were six South Pacific - Western Samoa, Fiji, Cook Islands, Tonga, Solomon Islands, and Vanuatu, which used to be called New Hebrides.

Unfortunately, the AIFLD thing program started moving faster than they thought, and then they called me back. I was under contract to AIFLD and I had no choice, but the people at Devres took this very poorly, so we've had a less than happy relationship since that point. Those countries are interesting countries to visit from an economic and social development perspective.

Back to El Salvador, we put together this institution, and I stayed there roughly a year. I was the acting executive director. The long-term intention, which has now been accomplished, is that you would have a Salvadoran staff. When I was there, I was the only member of the staff who was not a Salvadoran. The board of directors were all Salvadorans. The AIFLD representative, actually, was a Bolivian-naturalized American, but he wasn't on the board; he used to participate but made a minor contribution. Our effort was to create a local institution.

One of the problems we had--and it was foreseen, but it took longer to work out than was anticipated--was we had to obtain the local government's approval, and this is a government which does not really think labor unions are a good thing. Maybe Mr. Cristiani might buy them in some circumstances, but, in general, the present government represents a political element of society which is not in favor of unions. So it was, in a sense, pushed down their throats by the AID mission. In the AID mission as well there were people who were not enthused about AIFLD, but AIFLD particularly in El Salvador, if they don't get their way, are likely to put Larry Eagleburger on the telephone, and this generally gets attention from the ambassador.

Q: Mr. Eagleburger is now the Deputy Secretary of State.

CODY: Not that they have Eagleburger in their pocket but on occasions they can reach him and enlist his support.

Q: No. But they can get him on the telephone, and he will listen.

CODY: This gets things done, but it also creates friction. Anyway, there's a long time in getting the approvals that they need to have. Just about now they're supposed to be receiving that money. They have all the agreements signed, but I'm not even sure they've received the money yet. If they have, it's a matter of days since it happened.

Another major point, at least in my view, was that one of the virtues of this institution was it would seriously undertake economic and social development projects and wouldn't just approve them for immediate political purposes.

Q: You mean that the projects were supposed to be viable, useful projects?

CODY: Yes. The labor members had a very difficult time understanding that. I don't think they ever did. But even the AIFLD staff had difficulty with that and didn't really, in my view, do enough to bring the labor people around to understand this. And then we made mistakes. We should have made the Board an advisory group rather than the board of directors early on, so we didn't have to battle about these things; we'd just go ahead and do them. These issues were being sorted out when I left and I assume will. I certainly hope they return back to the idea they're going to have substantive projects, because AIFLD received a lot of criticism over the years that their projects with some exception, were not very substantive. It is alright to give money to the union for political purposes, but if the union is going to carry out a literacy program, it ought to work. If they're going to carry out a health program and it really doesn't work, then it isn't worth doing. The one exception had been this construction workers training center. They brought several people from the bricklayers union to El Salvador and they put in a very serious kind of technical expertise. From this effort several useful technical assistance efforts in rural housing and urban housing reconstruction were undertaken.

Q: I'm not sure I follow you. You say the literacy wouldn't work?

CODY: You hire a person to organize classes, and maybe that person is or is not competent. They don't go back to visit the classes often enough. The teachers aren't well trained. Technically, the project isn't developed on a sound enough basis to begin with, and even if it were, it isn't carried out with enough thoroughness. Health programs, maybe they were technically sound to begin with, but there isn't sufficient follow-through. I was trying to insist that the projects have this kind of substance and prior review, and the labor people would say, "Hey, you have FOES." That's the name of this organization. Fundacion Obrero Empresarial Salvadoreno "You have FOES, you've rented a building, you've bought computers, you've hired staff. Where's the money for the projects?"

We're saying, "Well, we're trying to sort this out. We're trying to study it a little, make sure we have good projects, develop criteria. Keep your shirts on. We really haven't been in business that long. The staff has only been on board about a month. Sure, we started by renting an office and constituting a board of directors six months ago, but these things take time and develop sequentially."

So this is the kind of pressure, that we should be playing Santa Claus a little faster, which is what we were avoiding. I didn't think we received nearly enough support and understanding from the local AIFLD staff, and when the chips were down, we didn't receive enough

support from AIFLD Washington. They missed the boat. Whether they fully understood all of this, I don't know.

The other aspect of the project was to involve management and labor. This was an important piece of the project. We wanted to involve them in running the organization, and we wanted, as the projects permitted, to involve them in carrying out the projects. If you had a project at a plant, both would contribute to carrying out the project.

Q: Learn to work together constructively.

CODY: Yes. The thought was that this type of program might then develop in other countries. The head of AIFLD, Bill Doherty, was talking about doing a similar thing in Nicaragua. I don't know what's happened to that now. But the institution El Salvador is there and functioning and carrying out projects, and I understand it's going ahead and they're just about to get their equivalent of \$10 million in colóns, the local currency, from the Salvadoran government.

So I came back from El Salvador doing that. Since that time, I've been working on some concepts with the bricklayers, with the building and construction department of the AFL-CIO. Building a training center in Egypt is one, to develop skilled craftsmen service corps similar to the international executive service corps, and we've been talking to AID about that. On a quite different subject, I'm about to go to Costa Rica on a government restructuring program related to some of these government restructuring loans that they've received from the World Bank, though the technical assistance in this case is funded by AID again.

Q: So at this point you're still going very strong, my friend.

CODY: Yes, but I think it will ease off after a while.

Q: Peter, although you are still very active, as you look back over your long and very interesting and varied career, what are some of the major areas of AID's operation that you think are worth generalizing about? Let's talk first of AID's use over the years of using less and less direct hire and using more and more contractors.

CODY: It was true before perhaps we had specialists in very limited areas and, therefore, were kind of forced to look for jobs for them whether we needed them or not, and we needed to move away from that a little bit. But on the other hand, we now have people who really don't seem to know what is happening at the operational level. As a contractor, I've been working more in the operational level, not involved in setting out broad economic policy, and maybe the people who worry about that are better at it than they used to be. I would have my doubts, but it's quite possible. But in terms of operating projects, which is supposed to transmit specific areas of agriculture or management or what have you technical know-how, I feel that AID overly relies on contractors, and the people that the contractors deal with, by and large, have very little knowledge as to what you're doing and

they tend to just view the mechanics of this, or the bureaucratic niceties of it, to meet certain deadlines, to fill out certain papers. While individuals may be brighter or not as bright in these areas, you tend to deal with junior people with less experience who are only hired to make sure that the documents are filled out correctly.

So that the content of these projects is not reported back to the people who run the mission in an adequate way. Some of it, of course filters back. I never had a feeling the mission director in Kenya knew what the AMP project was about. I didn't have a feeling that the AID director in Salvador knew what we were doing, although I had a better feeling than in Kenya. I certainly didn't have a feeling that the man in Sudan knew what we were doing down in Damazin. In that case, because he was a personal friend of mine, the deputy director did come down. In fact, the director came down once. But still, we were removed from the people we dealt with on a day-to-day basis.

Q: Once they put it out on a contract, they kind of lose interest in it, is that right?

CODY: Or they maintain interest in the wrong things. They maintain interest in some of the mechanics, but they don't seem to maintain or have information about how the thing is developing in a substantive way. I used to think that I knew what was going on substantively in the projects in the missions where I was working, and I went out of my way to meet with division chiefs every week and to make sure that the contractors came to AID staff meetings to try to minimize the difference between contractors and the direct hire.

There's another level of contracting that reduces the vertical flow of information; and that is the expanded use of the personal services contract. Many of the times you'll think the man you're working with is a part of the AID mission. Well, he is in a sense, but he's a personal services contractor whose access to the levels above him is limited. You may or may not discover this as you go along. You may not discover it as a contractor. But I think his clout in the AID mission is less, unless he happens to be a personal friend of someone.

Q: And he doesn't have any real continuity with the mission or with the agency.

CODY: He may even stay there a long time, and he may be a local. In several contracts that I've had. Kenya being the best example, the contact with the mission was a Kenyan employee who had just received her Ph.D. from the United States, as a matter of fact. I'm not saying she wasn't a bright person and I'm not putting her down as a Kenyan, but her interests were someplace else besides, or in addition to, at least, the mission.

Q: One of the purposes of contracting, as I understood it, was that after AID no longer was financing that contract, that the government then, or whatever entity in that country, would continue the relationship. Do you know whether that ever happened?

CODY: As we discussed earlier, in the thing in Mexico it happened, but, in general, it does not happen. The contractor is there for the money. Most governments, except on very special occasions, are not going to contract foreign outfits with their own money. One,

there's generally a donor around who might be likely to pay for it; and, two, politically they have trouble making contracts with foreign firms when there are local contractors who have some political clout. So that doesn't happen very often. The contractor goes away. What you want to do is leave an indigenous organization which doesn't need a contractor. That's what AID keeps telling itself it's doing.

Q: They would build a local capacity. Then you wouldn't need any kind of external help.

CODY: But with all this emphasis on contract managers, less technical skilled, more managing the contract, that hasn't produced a more effective or efficient system. In fact, to the contrary. I don't know whether there's a causal relationship, but I find that missions are more bogged down in bureaucratic paperwork. In this project in Guatemala, we had to make these loan funds available to the farmers before certain climatic things happened, like rain so they could buy seed and fertilizer. There was no question that the Mission and then we were going to receive the money. It was all set. And no ill will about the project. Everybody was agreed. It just took so long to obtain the money, which came out of their regional financial office in Mexico. They'd say, "We're going to send an urgent cable to Mexico to send us the money."

I'd say, "Send an urgent cable to God to tell him not to make it rain yet, because if we receive the money after it's too late to plant the seeds, forget it."

More of this oiling the machinery with glue seems to be taking place, rather than less. Maybe I'm not seeing the whole picture because I'm not involved in it, but that's the impression I have, looking at it as a contractor.

As mission director, I think I would have discovered that the money wasn't being made available for that farmer's program in Guatemala and would have raised some kind of hell so that it would have arrived on time. In fact, it did at the last minute, because I went to see the mission director. But he didn't know it until I went to see him. Nobody on his staff had told him this. I probably wouldn't have been able to see him except I happened to have known him from earlier days when he worked with me in Laos. So I think the system is not working all that well.

Q: Let's talk about the institutional memory of the AID program. We know that the AID program, for example, has been in existence in the U.S. government for over fifty years now.

CODY: I can't be an authority, because I don't have access to all the things. I don't go down to AID and say, "Please tell me about a program." But if they have any kind of record that says they can tell you about an ag management project that took place in Zimbabwe before they did it in Kenya, it isn't being used, because I saw nothing in the people that I have dealt with in AID to indicate that they have been exposed to similar kinds of operations in other places or earlier in that country.

Now, it was a long time ago, but in Salvador we had some vocational education programs in training people in various construction trades, not through unions. We had some labor programs, but they were a different kind of labor programs. When I was there in the '50s--now, maybe that's too long to remember--nobody had the slightest recollection of what we were doing then, or even cared. And they'll probably tell you things have changed; it's not the same world. But still, it would be useful to know where things have worked and not worked and what kinds of problems. If there is a system that collects that, I don't see it as being disseminated to the practitioners.

Q: No real system for lessons learned.

CODY: Yes. There may be some office in AID that collects this information, but if it does, I don't know what it's doing with it. When I was a direct-hire employee for AID, I saw that, too, because I worked in an office that did evaluations admissions, and I didn't see that there was much.

Q: What would be the difference between an evaluation and a lesson learned? Is there a difference?

CODY: An evaluation is done for different purposes. But they are similar. An evaluation would indicate to you the kind of things that worked and didn't work, and from that, if it didn't say so, you could draw the conclusion as what you should do elsewhere. The evaluations probably just focused on that one area, that one project in that one place. The evaluation helps you decide whether or not to continue and if necessary revise that project. It may not address the concept of shifting the project concept to another country. The information presumably is there to help make that judgement.

AID is at a point right now where the public esteem is low. One of the major rationales, the Soviet threat, is gone. It has a long history of thirty, forty, how many years, however you want to count it, to draw upon. If there was ever a time when AID should be asking itself, "What is it we want to do in the decade of the '90s? What is it where we've shown we have competence?" What is it we don't do well?" Now is the time. Over time AID has made certain kinds of decisions. They've given up most of the infrastructure construction activities. I remember when we built airports and roads and other big structures, and we've decided it's better that the World Bank does that. But this is the ideal time, it seems to me, for AID to be looking at itself.

To my knowledge, when I read the paper and talk to people like you and others, I have the impression they've looked at the body; they haven't looked at the head. It isn't just how you organize yourself to be more efficient. That addresses this question of oiling the machinery with glue. But what is it the head ought to look like? What should they be thinking about? What should they be doing? I don't see anything like this occurring. George Bush likes to be put across as Mr. Foreign Affairs, our president with more foreign affairs experience than most any other that you can think of. But that doesn't extend to foreign aid. It may extend to

bombing the hell out of Iraq and missing Saddam Hussein, but it doesn't seem to extend to foreign aid.

Q: And not being able to find a freighter that left North Korea and went to Iran.

CODY: But this, it seems to me, is the ideal time. It's not only ideal in that this is the right time, but the consequences of not doing it is that you hear these reports that morale at AID is awful, there's malaise, they don't know what they're doing, and so forth. This is the time to grab that bull by the horns and turn it around. Foreign aid is not a popular thing. There have been two things that really brought it to a popular high. One was the Marshall Plan, which was a success; and the other was the Alliance for Progress, which, unfortunately, was not. In both of those occasions, people really became excited about foreign aid. And the Peace Corps, which came along with the Alliance for Progress about the same time, also generated a lot of enthusiastic support, and it has been, I would say, in many ways a success.

Q: Especially for the people who were in the Peace Corps, the knowledge and appreciation it gave them of the world.

Another thing that you've mentioned is agendas. What do you mean by the importance of agendas?

CODY: People support a project for given reasons. They have certain things that they want to achieve. That's what I meant by agenda. If I'm involved in a project, what it is that I expect to get out of the project?

Unfortunately, too often they don't ask the question of what all the participants want to get out of it, and on occasions they're very conflicting sorts of things. Some of them are the changes over time. The case in point was the Kenya project. The man who put it together, I think, was there to help the "privatization." Kenya is a country which, at least at that time and probably now, the government was in things in too many ways. Either they actually owned the company as a para-statal or they had a board which set the policy by which it operated, which meant the same thing. So I think his idea was, one, to encourage the private sector; two, to make the government private-type organizations act more like private enterprises. And while it wasn't part of our project, I'm sure down the road they were thinking about having these things separate out and become private, although we didn't become involved in that aspect. We were just involved in making them act more like businesses. I don't think that concept was sold to the government, and particularly not to the Ministry of Agriculture, and most of the para-statals we dealt with were in the Ministry of Agriculture.

Q: Yet the project did get through.

CODY: Eventually it got through.

Q: It was approved, but it didn't have complete backing.

CODY: Well, it took a long time to obtain approval. From the time I was first approached by Price Waterhouse until the time I arrived, I think a year went by. It took a long time to receive approval, and it did obtain approval because an AID mission with that big a program has lots of levers, and it twisted the right arm enough to have it approved. But it meant that every time you went to the government there were delays. It took them forever to approve the Board of Directors, to have the ministries to nominate their people. Theoretically, we weren't supposed to have any projects until we had a Board of Directors to approve them. We did have a couple of them started before the Board was constituted, but there were undue delays. There was no need for that. It was just that the AID director who had promoted the private thing, as I said before, had been replaced with someone else whose interests were much more on social programs, I think, or I assume they were since he came out of the population area.

Q: So it really wasn't on the agenda anymore of the AID mission at a high enough level?

CODY: It didn't seem to be. Then they give the representation of the mission to a Kenyan employee, who perhaps accurately saw her long-term future with the Kenyan government, not with the AID mission. They involved the university without asking the Kenyan university how it was going to benefit, or assuming it was going to obtain certain benefits without putting the resources in place to achieve them; such as developing an ag business school, which would have been innovative. An ag business school, well done in that university, would have been a model for all of Africa, I think. There was a lot of potential, but they just didn't put the whole act together.

The same thing was true in Sudan. The government of Sudan at the central level didn't give a damn about what we were doing down in the province of Damazin. We were spending \$18 million on 8,500 farm families, sixteen from the U.S. and two from the U.S. government.

Q: A total of \$18 million.

CODY: That is absurd, if not obscene. The justification for doing that was that this would provide a model which would be replicated in other parts of Sudan. That part of the objective very soon became lost. What they would ask us was, "How many fidans of sorghum did you grow last year?" A fidan is a measure of bushels. Well, for 18 million bucks, you damn well ought to be able to increase the production of sorghum and sesame seed you're growing. But if you don't do the other thing, the project is a waste, but that wasn't really on anybody else's agenda, including the AID mission. Maybe it was on the people who put it together to begin with, but it was lost by the wayside.

We were building up a Sudanese organization. We built up an organization of about forty Sudanese professionals, and their job stability, job continuance was there. Some of it depended upon local production and various other things and making points with the local

provincial government. I was, on purpose, the bad guy of not giving away my petroleum supplies. Petroleum was very hard to come by, gas and diesel, and I had the biggest supply in town, but it was just to use for this project. But for the men I worked with in my project, the Sudanese, they would have made lots of points by giving it to the provincial government, which would have been their agenda. It wasn't mine, and I stood firm. A whole series of things occur so that your efforts get diffused if you're not all working toward the same objective.

Naturally, there's going to be some differences of opinion, but I think if you recognize what they are and ask yourself beforehand what accommodation can be made then you're more likely to develop a viable project. Or this question about the labor members of the FOES board in El Salvador. Their concern was to make their membership immediately happy, give them some money. You don't worry about if you gave them some money to build a flood control structure, and two years down the line it's broken. Their horizon wasn't that far away.

Q: But aren't you always going to have that in any organization of each person coming with his or her own agenda?

CODY: But you recognize what the agendas are, and you try then to sort them out and you make compromises. From that, you either decide you can't get there from here because there are too many people who have different opposing points of view, or you ask how you can accommodate everybody's points of view and still get close enough to where you want to be, "you" being the people putting up the money in the first place.

Q: Is a part of the problem in a clear-cut understanding and definition of what the problem and the objectives are, and of writing it out and having people read it and agree to it?

CODY: That's the first step. But people will agree to things if they have to. I remember doing an evaluation of the AID program in Bolivia and going out on a field trip with the Minister of Education. One of the things in the big amount of money they'd given to him for building schools and other facilities was the decentralization of education out to the provinces. I said something about, "I don't see any decentralization going on, Mr. Minister. Are you planning to do it?"

He said, "No!"

I said, "But you signed the loan agreement to do it."

He said, "Well, you have to do that to receive the money!" And he was right! He was able to have his schools built, but he didn't decentralize. But the people who put it together presumably weren't astute enough to recognize that, or felt they could ride roughshod over him and make him do it anyway.

Part of the thing--I don't know if it's still true in AID; I assume it is. When I was in AID as a direct hire, one of the things I used to resist was there's always the pressure of having to do something new. If you just went in and said, "This year we're going to do what we did last year; we're going to do it better," most of the time this didn't wash. So there was pressure to come up with new gimmicks, pressure on the people at the top of the mission to come up with new gimmicks. If you fought that, you could win, but the pressure was easier to accede to.

The last year I was in the Philippines, I don't think we started any new projects. I was able to convince AID/W to put a big slew of additional money into rural electrification. The answer was, "Well, we've done that."

I said, "Yes, but the project's not finished. If we put some more money in, I can guarantee you the World Bank is going to follow on and we're going to get rural electrification. It's better to do that project well and continue to do it."

The project which we turned down was conservation of forests, which was urgently needed, but I said, "All those big loggers are in Marcos' back pocket, or vice versa. That project is never going to work. It will be new and shiny on the books this year, but it's never going to work."

Q: What do you think the answer is?

CODY: I think the answer is, as I said a moment ago, this is the ideal time to reexamine the foreign aid concept. Events have conspired because of changing priorities on the part of the U.S. government. Now, does it happen? You tell me who's going to win in November [1992]. If I were Bush, I'd say, "This is the time I want to start thinking about it." If I were Clinton or whoever, I'd say, "I'll put this high on my agenda when I am elected." But I think now is the time, and I think even waiting until November, we're letting a lot of time slip away in terms of what we might do in Eastern Europe and the Soviet Union.

Q: One of the good things that happened in the late '50s was that the Senate Foreign Relations Committee was so interested in the then foreign aid program that, under the leadership of Senator Mike Mansfield, they had done a lot of studies of what ought to be done about the foreign aid program. So that when the election was over and Kennedy came in, he had a lot of people who had been doing a lot of thinking, and these were the people that were a part of President Kennedy's commission on the new foreign aid program. So you're quite right. Now is the time these studies ought to be going on.

CODY: How you design these studies so they're not just big overall pronouncements but come down to the nitty-gritty, I'm not quite sure. We don't want just some big pronouncement. We want some basic questions about where we are and ought to be. And maybe the answer is that we've done what we have to do in foreign aid. I'm not saying that it's going to happen by default. Unless something like this happens, I would say five years from now there's just going to be a few residuals around as far as the AID program. We may

still funnel a fair amount of money in the World Bank and IDB and things, but I think the AID program, with the fall of communism and other events, is losing a major opportunity for introspection. Why was Salvador the biggest program in Central America? Because they have so many people?

Q: Because of its strategic location.

CODY: To keep out Fidel [Castro], I guess, or Ortega in Nicaragua. Why were we supporting Mobutu? Same reason. Why are we supporting Mubarak? And while we're happy those people are happy with Mubarak, why are we supporting Egypt? Because it's part of the political process. Now, that political process in Egypt is still there, so you can presume the Israeli and the Egyptian programs will stay reasonably big, although the others in the area aren't that big. Most of them don't need it.

Q: There's a need for a tremendous program there, but it would be a Marshall Plan for the Middle East with international financing, especially oil money.

CODY: Yes. But there are some other poor countries. Yemen is a poor country and Jordan is a poor country. They don't have oil. Syria doesn't have that much oil. They don't have a leadership we like very much.

Q: No, but I'm saying the financing should be done by the oil-rich, plus the rest of the world.

CODY: Here's an area where there's some new thinking. We've gotten locked into the Camp David [Accord], which was fine at the time, We put great big sums of money into Egypt and Israel and we put very little, except in [Operation] Desert Storm, in other countries, some of whom don't need it financially. They may need the assistance. Our whole relations in regard to foreign assistance with the Arab world, or the Moslem world, which is now about to include various pieces of the Soviet Union, is not all that well thought out.

Q: As you look back, aside from the time that you and I worked together, what was the most pleasurable job that you had?

CODY: I think that's fairly difficult to say, because they all had their interests. The job where everything was going well--but there I had the problems with the ambassador--in terms of the program and our relationships with the government was Paraguay, and that was marred a little bit by working for a couple of ambassadors I didn't think were very good, as I think I mentioned.

Q: But as far as the program was concerned, your relationship with the government was enjoyable?

CODY: Yes.

Q: You are a very lucky person to have had so many different places where you really enjoyed what you were doing.

CODY: One thing that happens is that in any place you go, you become caught up in the local situation. So the minute you start identifying yourself with what's going on, then you begin to enjoy it, and also get any frustrations if they come along.

As I think I mentioned earlier on, when I left Laos to go to Paraguay, it was, "Oh, Laos, a great big program, \$50 million and more, really." With the military program, it was \$150 million. Paraguay is a backwater that nobody ever heard of. Not that people know about Laos, other than its political situation of the moment. But it didn't take very long before I was involved in my thinking in what was going on and not going on in Paraguay.

Q: Getting involved in all of its problems.

CODY: But then they become as important if you're there. The only place I really didn't like to live--I didn't live there; I was just there for a couple of weeks at a time--I thought the least livable place was Kinshasa, because it was a city where you could be robbed if not hurt at any time and you had no sympathy for the government. In Lebanon, you could be hurt. I don't know if there's a difference, being hurt for economic or for political reasons, but I didn't feel the same way about Beirut that I did feel about Kinshasa. I was more involved with Beirut. I enjoyed it when I was in Lubumbashi. I felt less sympathetic, perhaps, to the Zaire government than most any government. Stroessner was a dictator and all that, but I felt more sympathetic to the Paraguayans and the Paraguayan people in government than I did Zaire. Climatically, the harshest climate I ever had to put up with was in Sudan, but that didn't bother me.

Q: As you look back on it, what do you think about the relationships of the State Department and AID and embassy in the AID mission?

CODY: They tend often times to be revolved around the people, but I think too often the embassy can't help but think of the AID people as intruders, whereas the AID people think of the embassy people as people with no marketable skills, except for maybe the ambassador and one or two others them, so it's the cookie-pusher image kind of thing. The State people, to put it in the extreme, "Who are these uncouth people telling us what we're supposed to be doing here, how to treat the country only we understand?" I think what happens is there's a "them" and "we" business, which is hard to fight, and I admire an ambassador who goes out of his way to reduce this, and some did. I thought Bill Sullivan did, Phil Sprouse did, Bob Brewster did, and Findley Burns did, whereas others did not, like this man in Zaire who we referred to.

I suppose there's some of that at the Washington level, too, the "we" and "they," and the people who say, "We know the political situation. Why are you messing around in our business?" and the AID people saying, "But you don't know what's really going on in terms

of people and health and education or the economy." This conflict is almost inevitable, and the fact that it is resolved is because you get the right people in there who can put this aside, and should put it aside.

Q: But it's too bad that each doesn't understand the other's point of view and need. As you say, the good ambassadors do understand that.

CODY: I've always been amazed that the State Department, in general, I think I've had to say that the majority of the people I see at the intermediate level are mediocre, and while the Department seems to have, with some exceptions, the ability to promote the ones that aren't mediocre to be ambassadors and DCMs, particularly ambassadors. There are still problems, because you have to bring in political ambassadors, some of whom are quite good and some of whom are not. But the fact that they pull the Bill Sullivans out of that milieu and don't pull somebody else who would be a disaster is very important.

Q: Thank you very much.

CODY: I've enjoyed it, Mel. It's fun to rehash old times and old memories.

Q: And make way for good new times, we hope. Thank you, Mr. Cody. Good luck.

End of interview