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# MALCOLM BUTLER

*Interviewed by: John Pielemeier*
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**INTERVIEW**

*Q: This is John Pielemeier. I'm talking with Malcolm Butler today, which is November 7, 2017. This is the first round of an interview with Malcolm who's had a long and interesting career.*

*Malcolm, let's start off by talking a bit about where you grew up and what may have led you into international work.*

BUTLER: Well, I was born in Wichita Falls, Texas, and went through pre-university schooling in the public school systems in Galveston and Fort Worth, Texas, and then went to Rice University in Houston. So I'm a Texan by birth and to an extent culturally, although in some ways my career belies that a bit. I guess I was ready to get out of Texas after undergraduate school, but I haven't lost my cultural identification with Texas. I have a brother, and his family, with whom I'm quite close, who live there. I also have good friends there that I've maintained.

*Q: When you were in college there did you take any courses of any sort on international activities: did you have any professors there that led you in that direction?*

BUTLER: No, not really. Rice didn't have an international relations degree. I put in equal time in economics and history, and I had a couple of professors who were very influential. One was Louis Galambos, in economics, who had a great reputation in economics, but more important was a great teacher. Although there was no curriculum for international affairs, he guided me somewhat in that direction. Another professor that I had, in history, was William Masterson, and he also was influential in helping me chart a path. He's the person who first suggested I might enjoy looking at Washington. He needed someone to do some research the Library of Congress, and he had some research funding and was able to help me spend a summer at the Library of Congress. He was dead right - I fell in love with Washington, and got closer to the international arena.

*Q: What was the thesis?*

BUTLER: The thesis - well, I did two. The one that I did for Galambos was on comparing small business policy in India and Japan during their formative economic development periods. And the one I did for Masterson was about - these are both pretty far from where I ended up - was about planning for Washington, D.C. in the Jeffersonian period. But those were undergraduate theses.

*Q: I see. Once you graduated from Rice what did you do next?*

BUTLER: Well, let's see. I had applied for a Rhodes Scholarship, but I didn't get it – was runner up to a close friend. I was not in a position to go to graduate school without some sort of funding, and I applied for and did get a scholarship from Rotary International. I had no connection with Rotary prior to applying, but they would pay for whatever international graduate study you want to do, but you had to get admitted. So I applied to Oxford, and was accepted and did a year-and-a-half of a two-year degree in the international economics area. I didn't get the degree because I ran out of money. I

managed to make one year's worth of scholarship last a year and a half, but ultimately I didn't meet the residency requirements.

*Q: Oh, my. Oh, my. What a blow.*

BUTLER: And then, so, your next question may be well, how did you get from there to the Foreign Service, and the answer is that while at Oxford I took and did well on the law school aptitude test, and was accepted to several major law schools and was sort of wrestling with that. At the same time I took the State Department Foreign Service exam, and passed that. I had finished a year and a half of hard studies at Oxford and had to decide whether I wanted to go to three more years of law school. I decided that I'd had enough school for a while, and the Foreign Service looked attractive. So I went that route, took the orals, passed them and that's what happened.

*Q: Well, that was pretty quick.*

BUTLER: Well, actually I took and passed the State Department written exam before I went to grad school, so I was already interested, and they already had a record. I chose to go on to Oxford rather than go in the Foreign Service at that point. When I re-took the exam they moved fairly quickly once I said I was interested.

*Q: Anything at Oxford that you recall that really made a difference in your thinking about international work?*

BUTLER: Well, at Oxford I was rubbing shoulders with people from all over the world, and I had pretty much decided that that I wanted to do something international. Even if I had gone to law school I would have done international work. I don't know, really, why, having grown up in Texas, I ended up convinced that I wanted to do international work, but I remember being pretty sure about it at that point. I guess it was the professors that I had and the experiences I had. Also, as I said, I had a desire to get out, to spread my wings beyond Texas, which at that time was a pretty insular. Although, as I look back on it now, I wouldn't mind at all going back to live in Texas at some point. It's a different Texas, and I'm a different person.

*Q: Right. Any professors or any programs at Oxford that you recall that were useful to you?*

BUTLER: Well, my primary professor there was James Joll, who was an historian of political theory but also an international relations guy. But he was someone who definitely shaped my thinking. And I was also able to study with Isaiah Berlin, who wrote "The Hedgehog and the Fox". I can't say he was primarily an internationalist, but he certainly sharpened my analytical thinking. I also got very interested in the Middle East, and did a lot of reading on the area.

*Q: Right. Were you in one of the houses there? How did you-?*

BUTLER: Yes. I was at Merton College.

*Q: Did you do any international work during your time there? I know you weren't there that long but-*

BUTLER: Well, yes. Oxford has a different system from ours. You basically study hard for two to four years, and then you take the exams. You don't have a lot of periodic exams, and you don't have grades all along, but you hopefully convince a good scholar, a mentor who can guide and help you. I was fortunate to be able to do that. And then you pursued your own interests, and I slanted in the international direction. I also enjoyed Oxford life - I rowed and played rugby, and that was part of the experience

*Q: So, meanwhile you'd applied to the Foreign Service and you'd passed the first stage and at that point you completed the oral? Is that what happened?*

BUTLER: No, the first time around I didn't even take the orals. I passed the written and then I didn't want to go in right away, so I just put my application on hold. When I came back to it, which was then two years later, they wanted me to take the exam again, which I did. I think I did well because they were anxious to talk to me in both cases. So I didn't take the orals the first time around, but I did the second and I passed.

*Q: So, what year would that have been?*

BUTLER: That would have been in '64.

*Q: And dare I ask if you were at draft age at that time, whether the draft was involved with your decision-making process?*

BUTLER: Well actually, no. I was of draft age, and when I was still an undergraduate - that would probably have been in 62 - this was before Vietnam was really going great guns, but the draft was still taking some folks. And rather than be drafted, when I got my letter saying to start the pre-draft process, I inquired about OCS and was ready to apply there.

But when they were going over my medical records, they found that I had dislocated my shoulder playing football and hadn't had it surgically repaired. It never really bothered me - I played rugby afterward - but that was the end of the draft for me. I don't think I got a formal medical deferment, but I guess I was in effect given one. I guess a few years later, a previously dislocated shoulder would not have kept me out, but the record was there and it in effect protected me.

*Q: Interesting. So you're at Oxford, you're graduating, where do you go next?*

BUTLER: Well, at that point I had decided not to go to law school and I had taken the Foreign Service exams and passed and completed the orals. I did the orals in London; and they said okay, we'll be in touch with you. They were clear that it would be a few months

before I could actually join, so I came back to Fort Worth, where my parents lived. I was sort of looking around, wondering what to do, and I ended up talking to a publishing company, Prentice Hall, and they said you'd be a great field editor. It looked interesting - you work with writers and help them shape their manuscripts for what the market wants. And I said you know I'm probably going to join the Foreign Service, and their attitude was no, you're going to find this so interesting you're going to tell the Foreign Service you're not interested. And so, for almost a year I worked for Prentice Hall and I did enjoy it. But nonetheless, when the Foreign Service finally called and said okay, we're ready for you now, I went on in.

At Prentice Hall I worked mainly on textbooks that were going to be published for the college text market, in history and in economics and then international relations, and then beyond. And I would try to translate the market requirements to an author who had already submitted a manuscript that people liked, so I could work with the author and help the market and the author come to terms. I also helped sell into targeted markets. I enjoyed the selling part actually.

*Q: Well, it probably was good experience.*

BUTLER: Well, it was good experience and helped me that I could deal with big name writers. But I also learned that many of these writers had good and bad habits like everybody else. When I spent a couple of weeks non-stop with them I got to know them pretty well. I realized that we're all human. Some had girlfriends and drinking habits and all sorts of other things that, shall I say, gave me some perspective on the real world.

*Q: So, State Department finally called and invited you to an orientation class?*

BUTLER: Yes, yes. Well, they said come in August of '66. And so, I got in my car, drove to Washington and went into what was then called the A-100 course.

*Q: Yes. Yes.*

BUTLER: And so, I went through that. I told them that I really wanted to go to the Middle East because I was fascinated by the Middle East, and at Oxford I had worked on a lot of issues that had to do with the Middle East. They said well, but to get to the Middle East you've got to learn Arabic, and we don't teach Arabic to people right off the bat. And I said well, that's what I want to do. The irony was that a guy, who became one of my best friends in life, was interested in going to Latin America, and I wanted to go to the Middle East; and when they called out our assignments I was assigned to Latin America and he was assigned to the Middle East.

*Q: Oh my, oh my. Did you have any languages at this point?*

BUTLER: Well a bit. I had studied German to meet a language requirement at Rice, but it was not conversational German. I could read and write it but I was not really capable. It turned out that I did have a high language aptitude, although I didn't know it at the time.

So, State sent me to Mexico City which was like driving across the border for me, being from Texas, which was a bit of a disappointment. But they gave me three months of Spanish, and I went from zero to three plus level, and loved it.

*Q: In three months?*

BUTLER: After three years in Mexico I was speaking it at a four-plus level, and so I was very comfortable in Spanish, and still am.

*Q: So, your time in Washington was just three months? How long were you in Washington? You said language for three months but the A-100 -*

BUTLER: Well, I think there was another month in there where I did a security course and some other admin stuff. Oh no, I'm sorry; the A-100 course was three months and then I went to language for three months. So, I was in Washington for six or seven months, total.

*Q: So, that was the first time you'd lived in Washington?*

BUTLER: No, I had done that summer of research -

*Q: Oh, that's right. So, you figured you knew the place?*

BUTLER; Well, somewhat -.

*Q: You still keep up with any of your colleagues in that A-100 class?*

BUTLER: Oh yes. Yes, as a matter of fact, Steve Ward, who is now - we had dinner with them last week and so have stayed in good touch with him and his wife Emily. And then there are some other folks who I stayed in touch with. Tom Hubbard, who went on to become ambassador in several Asian countries, Korea, the Philippines, I believe.

*Q: So, you get trucked off to Mexico City. You're still single at this time, I'm gathering. Your first tour in the Foreign Service, are you a consular officer? What are you doing?*

BUTLER: No, in those days in State you did a rotation. Your first tour was some time in consular and some in economic, some in political and wherever. So, I did my consular tour for three months, and then went to the economics section where I really enjoyed the work. But when I got down there I took some university courses and generally made friends with a lot of Mexican young people. This was when there was a powerful youth movement going on in Mexico, and when I did my rotation in the political section, they asked me to stay.

This was in the mid '60s, and there was great concern about whether the youth were going to allow the Mexico City Olympics to take place, or would hold out for political reform, in effect hold the Olympics hostage. Demonstrations increased in numbers and

violence. Mexico had invested so much in their ability to host the Olympics, because they felt it would put them on the world stage in a new way. The result of that confrontation was what was called the massacre of Tlatelolco. Tlatelolco was an apartment complex in Mexico City with a big open plaza. There was a huge youth rally held there and the Mexican government was of course watching it. The history of this is still in debate, but it ended up with a couple of hundred people, officially, and probably considerably more than that, killed by snipers who were in the apartment buildings and the security forces which stormed the plaza. Hundreds were wounded, and more than a thousand were arrested. Some of the killed and arrested were student leaders that I knew.

*Q: Just for clarity, the people shooting from the buildings were- the snipers were government snipers or?*

BUTLER: Well, you're asking me, yes. It's not clear whether they were actual government people, or only recruited by government people. But in my mind there's no question the government was aware of what was going to happen, and then tried to hide the extent of it. I think the 200 figure came from the bodies that went to the hospital, but families said a lot of the bodies of those who were killed never turned up. I have to say the embassy was very measured in its comments, and the facts are still in dispute. But I think that there was surely government awareness of what was going to happen and at least tacit government acceptance of it. Whether it was actually staged by the government is still debated, but in my opinion it probably was.

*Q: Sounds like a very exciting time to be there.*

BUTLER: Well, as soon as I knew what was going on I went to the plaza. The shooting had stopped, but I was of course was prohibited from getting in by the security forces. But I saw what had happened and it wasn't pretty -

*Q: Is there anything else-*

BUTLER: I then went to several of the hospitals trying to see if I could find some of my friends that I was unable to locate. This was back before cellphones and the only way to do it was to go. I was doing that for personal reasons, I guess, because I was concerned about friends. But having talked my way into the hospitals and seen what was going on, that was also useful to the embassy.

*Q: How much longer did you stay in Mexico?*

BUTLER: Well, all this happened in '68, only a couple of months before the Olympics. Anyhow, the embassy set up an action office for everything having to do with the Olympics, and to liaise with the U.S. Olympic movement. The Embassy asked me to extend my assignment a year and join that office. There were three of us – David Carrasco, who was the Olympic Attaché, myself, and Phil Agee, who some readers may remember as the guy who later did the expose of CIA activities. Phil and I were good friends, and I knew of his connection to the Agency as well as about his divorce and

subsequent bitter dispute with them. But he didn't talk about his non-Olympic activities, to "protect" David and me.

Mexico put on what was their trademark addition to the Olympics concept, what they called the Cultural Olympics. They invited all the countries who were sending athletes to also send musicians and artists and educators and scientists. There was a vast series of programs and exhibits featuring countries' cultural histories and traditions, not just their sporting strengths. One of the great things about that was that the United States, being so close, put a lot of effort into its participation in the Cultural events. I was asked to be the guy who mainly worked with the Cultural Olympics, although I ended up with a pass to all the Olympic events, so I didn't miss the sports side of it. I was there when Juan Carlos and Tommie Smith raise their gloved fists on the podium. That's something I'll never forget.

But the other big thing for me was that one of the cultural events was Doc Watson, the bluegrass guitarist, writer and singer.

*Q: Oh, really?*

BUTLER: I had been a jazz musician, and frankly at the time didn't have a lot of time for country or bluegrass. But I went to the airport to meet him, and helped him into the car – he was blind – and was wondering about this guy from North Carolina who was going to play a kind of music that I didn't really care for. But the first time he pulled out his guitar and stepped in front of the microphone he just blew me away, and I have been a fan of country music and bluegrass and guitar ever since. I had about two weeks of shoulder to shoulder acquaintance with Doc Watson – he was just a beautiful person - and this was before his name was as well known in the States as it is today. Somebody in State had just said well, let's send a bluegrass musician. Knowing him was a fabulous experience. Come to think of it, my wife is a guitarist, playing the same music. Maybe Doc had something to do with that. We go to MerleFest most every year.

*Q: That does sound great. Tell us a little more about what your musical background was.*

BUTLER: Well, in high school I had been a trumpet player and started playing with dance bands at night. I made a lot more money than my friends who were sacking groceries, and had more fun at it, too. I joined the musicians' union when I was like 15, and played with professional orchestras through two years in high school and all the way through undergraduate school. I added flugelhorn and valve trombone to my instruments and that gave me a lot more flexibility. From playing mainly with dance orchestras, in college I started playing more jazz with smaller groups. I quit playing so much at Oxford because I didn't have time, and I really haven't kept up my playing since then. I mean, I'm still an avid listener but I don't play much anymore. I still have a flugelhorn downstairs.

*Q: Well, one thing that does fit together is your language skills fit with your musicians-being a musician; those two things often go together.*

BUTLER: You know, I never thought about that at the time, but I have read that, yes.

*Q: Yes, I think we find that. Anyway, so your first tour was what, three years you said?*

BUTLER: It was supposed to be two but they extended it to three because of the Olympics.

*Q: And then did you bid for your next assignment?*

BUTLER: Yes. I was still interested in going to the Middle East. This time the State Department listened, and they assigned me to Khorramshahr, Iran.

I said great, but I've got to get the language. So they gave me three months of Farsi, which was enough to get me started. I think I left for Iran with a two and came back with a three-plus. That was speaking only; because reading and writing was a much greater challenge I decided that I would focus on speaking. But I enjoyed Farsi and I enjoyed Iran. This was at the time of the Shah.

Khorramshahr is in the south of Iran. That was good because it put me further out in the country, although in that region, Khuzestan, Arabic was spoken as much as Farsi. I enjoyed southern Iran, and being number two at the post. More important, the principle officer didn't particularly like to travel, which meant that I covered all of southern Iran. I loved Shiraz, a beautiful university town, and spent time in Bandar Abbas, the southern port

.

And I went on a migration with a Bakhtiari tribe. Every year they moved from summer pastures in the mountains down to the plains for the winter. I had made some friends among the Bakhtiari and they invited me to do the migration with them, which was really something, really a tremendous experience. I loved it.

*Q: So, they were basically doing this with goats or animals or-?*

BUTLER: It was everything - horses, sheep, goats, they moved the whole tribe. Mainly over mountain trails.

*Q: It was basically for purposes of grazing that they were moving, right?*

BUTLER: Yes. And the embassy was happy to give me a few weeks to go. The Bakhtiari were the most powerful of the indigenous tribes, potentially kingmakers in many respects in southwestern Iran. If you were going to challenge the government, or if you were a powerful political or commercial family, whatever, you wanted the Bakhtiari on your side. They were a large tribe, they were fiercely independent, and they were tough. So gaining some insights into the Bakhtiari was useful to the embassy. I didn't speak Bakhtiari, but enough of them spoke Farsi, or even some English, that I managed. I was even able to use some German, because the Germans had made a big effort to use them

against the British during WWII, and the German influence carried over. And I could ride a semi-broken horse, from my Texas days.

I'll tell you one quick story there. When I was migrating with them it was soon after we had put the first Americans on the moon. USIA gave me a small projector, which we hooked up to a truck battery. I remember sitting out on a mountainside, under a full moon. The Bakhtiari families gathered around to listen to this crazy foreigner trying to convince them that the film was of people walking up there on that moon. I don't think anybody believed a word of it, but they let me stay on.

*Q: Were you trekking or were you on horseback or how were you doing this?*

BUTLER: Well, it was both. And they had a couple of old trucks that they met up with periodically, to haul part of the equipment and to resupply.

*Q: So, that tour, how long did that last and any other highlights from that?*

BUTLER: That was two years. This was at the time when Iran and Iraq were not getting along. Things were a little shaky. One day we opened our escape instructions, which anticipated unrest within Iran. We were supposed to flee across the Shat-al-Arab to Basra. The problem was that the Iraqis had all their guns pointed our way.

A couple of years later the Iranian revolution took place. I was not there - my tour had ended - but I saw uneasiness building in the country, and particularly among the young people. I had friends at Shiraz University, one of the elite schools, and I knew a lot of other younger people. I was at the time 27 or 28. I was sending reports to the embassy saying I was very dubious about how much Tehran knew about the rest of the country, because local officials were protecting themselves. Everything I got officially was through obviously rose-colored lenses. I was traveling and getting to know the people, and they were not at all comfortable with the Shah's political structure. So I was telling the embassy that the young, nationalist left was increasingly uneasy and a risk to the regime. This was not the Embassy line.

*Q: Oh, really?*

BUTLER: And of course it wasn't them but the blue-collar right that ultimately took over the country. I was dead wrong on that, but right in the sense that the Shah's lack of touch with the country was ultimately going to be a big problem. I traveled all over southern Iran and had a sense of the area. I enjoyed it very much, particularly fell in love with Shiraz.

*Q: Okay. I haven't been there and probably not many people have.*

BUTLER: I should also say, when I think about Iran I think about another very close friend that I made at the time, Arnie Raphel. Arnie was third secretary at the Embassy, but did very well, and later became ambassador to Pakistan. He was killed when the

plane carrying the Pakistani prime minister was blown up in midair. Everyone on board was killed. That happened much later, when I was in the Philippines, but Arnie and I had stayed in close touch through his divorce and his meeting a remarkable woman in Tehran. She was Robin Johnson then, but she became Robin Raphel. After Arnie's death she went on to become Ambassador to Tunisia and Assistant Secretary for South Asia. Robin and I are still good friends - I saw her the other day.

*Q: Ah, right, that's impressive.*

BUTLER: A remarkable woman, whose relationship with Pakistan, you may know from the newspapers, later on caused her some wholly undeserved grief.

*Q: Yes, I do know, yes. Yes.*

BUTLER: That was one of the most extraordinary injustices I ever ran across, I've got to say. I never met a more patriotic, dedicated person, and I'll say brilliant, effective diplomat, than Robin, and she went through two years of absolute hell because of false accusations and bureaucratic bullheadedness. I was in close touch with her through all that.

*Q: Oh, really? Oh my. So, while you were in Iran, did you run into an AID (United States Agency for International Development) program there?*

BUTLER: There had been an AID program. I think there were a couple of local employees monitoring the residual things that AID had been doing. But no, I did not run into it and I had little knowledge of it at the time. This was before I had any reason to think that I might one day be associated with AID.

*Q: Just on the side, I have in my bibliography of USAID officers I put together an entry about a year ago from a guy who said his father was the first AID director in Iran, and he wrote a book about it.*

BUTLER: Really?

*Q: And this was in 1954 and the guy was a water engineer.*

BUTLER: Well you know, it's interesting; a lot of countries where there had been an active AID program - in this case, what, 15 years earlier – the program continued or was remembered, but in fact I didn't find many echoes.

*Q: Had you been married at this point or was this-?*

BUTLER: Yes. I married my first wife before I left to go to Iran and we were together in Iran. And we came back to the States on assignment after Iran, but the marriage didn't last. At that point I decided that I had liked working in Latin America, and Latin culture,

and I asked to be assigned to the Latin America Bureau to work on regional economic issues.

But it was pretty far down in the bureaucracy. When I started checking in with contacts around town, I learned that a Texas friend was working at OMB (Office of Management and Budget) in a senior international position. This was a guy I'd gotten to know through student government back in Texas; I was involved in that from Rice and he was at SMU (Southern Methodist University). His name was David Bray. He said why don't you come work for me, and I said okay, State liked the idea, and I arranged to go over on detail. I loved the responsibility of tracking international economic affairs, including AID's Southeast Asia and Middle East programs. I was able to rise fairly quickly on the GS ladder. The idea of going back to the State Department, and back down in the bureaucracy, wasn't that appealing, since from OMB I'd been working with assistant secretaries around the government. So when State said it's time for you to come back, I said well, I don't think so. And they said well, you've hit your detail limit so you'll have to resign. And I said can I talk to you again at some point and they said well, we never say never, but if you want a State Department career it wouldn't be a good idea for you to resign. I resigned anyhow, and signed up formally with OMB. And then a year later I was recruited to the National Security Council staff, again on international economic affairs. The NSC had been on my mind one way or another since I read about it in Mexico, so I jumped at the chance.

So I did three years at OMB, and then about three years at the National Security Council, working first for Kissinger and Brent Scowcroft and then for Zbig Brzezinski. I learned an extraordinary amount there.

*Q: Tell me just what years were those?*

BUTLER: Well, let' see. I was at OMB from '72 to '74 and at the NSC (National Security Council) from '74 to '76. Yes, I left the NSC in '76 and that's when I went to AID.

*Q: Well, working with Kissinger and Brzezinski-*

BUTLER: And Scowcroft.

*Q: And Scowcroft.*

BUTLER: Scowcroft was not the biggest name of those three, but he was by far the biggest person. He's probably one of the finest people I've ever known.

*Q: Can you give any examples of the work that you did with him?*

BUTLER: Well, I was one of two, then three, people working on international economics. This was when the NSC had a staff of about 40, instead of whatever it's got today, 400. I worked with Bob Hormats, who later became State's assistant secretary for

economic and business affairs. Tim Deal was the third guy. I don't want to run on too much about Scowcroft, but he was really remarkable. He was brilliant, he was totally straightforward and decent. He was an extraordinary reader of people and situations. He had almost no ego; he was totally dedicated to his work. He didn't go rushing out in front of the action - he was perfectly happy to see good work done without caring who got credit for it. He was just a remarkable guy. A Mormon who didn't advertise his faith at all, but I have since known a number of Mormons with the same dedication to selfless public service that he had. A remarkable guy.

Kissinger, of course, enough said. Anybody who's worked with Kissinger - my sharpest experience with him was written up without my name attached to it by Marvin Kalb in his book on Kissinger. But there was a story about the young staffer that Kissinger berated and sent back to do better work, saying I don't think that you're cut out to work here, blah, blah, blah. He did it again, profanely, leaving the guy totally shaken. When the guy came back with the third draft of what Kissinger had found so totally unacceptable, Kissinger asked if this was really the best he could do. Shaking, the guy said yes, and Kissinger said okay, well I'll read this one. That was me. So, anyhow, you can't take anything away from Kissinger because he was a true force of nature, but he was not the sort of person that I enjoyed working for.

*Q: What a story. So exciting years here in Washington. You're in the midst of, what, I guess the Nixon Administration, right?*

BUTLER: Ford.

*Q. Alright. Any contact with him?*

BUTLER: I was at OMB during the Nixon Administration, and went over to the NSC in the Ford Administration, into the Carter Administration. I had occasional meetings with both Ford and Carter, briefings for them, usually with the National Security Advisor. No personal relationship, really.

*Q: And mostly, again, international economics.*

BUTLER: Yes. By this time, I had good perspective. From OMB I was looking over everything that the United States Government did in international economics. I mean, OMB's job was to know enough about all those programs and their strengths and weaknesses to help shape them, and when it came time to divide up the budget to allocate scare resources to their best uses. So it was a position of some responsibility, with influence beyond the budget. Part of what I looked at from OMB and the NSC, was AID, along with EXIM Bank (Export-Import Bank of the United States) and OPIC (Overseas Private Investment Corporation), the multinational development banks, international economic and trade policy, and all. AID was a big chunk of that, particularly the strategic programs in southeast Asia and the Middle East. I ended up focusing disproportionately on AID, partly I guess because of my foreign service field experience. So I learned a fair amount about AID at both the NSC and OMB.

I decided then to leave the NSC in the Carter Administration, because I'd been doing it for three years and it was hard work. I was tired and wanted to make a change. I contacted then Deputy Administrator Bob Nooter, with whom I'd been working, and said that I'd be interested in coming over and he said sure, let's talk. He introduced me to Ted Van Dyke, who was close to Hubert Humphrey and had come to AID to fill the Assistant Administrator position that had the responsibility of coordinating all of the international development work throughout the government. This idea had the support of Humphrey, and within a year they legislated an agency within AID called the International Development Coordination Agency, or IDCA.

*Q: Oh yes.*

BUTLER: Ted was given responsibility for IDCA by Administrator Jack Gilligan. Ted was another remarkable guy that I enjoyed and respected and valued as a friend. (Ditto Jack Gilligan.) But Ted's job was the politics of IDCA, and he needed somebody who knew how the programs worked. He asked me to be his deputy, and that's when I came into AID as DAA for Intergovernmental and International Affairs (IIA). So I was able to parlay former State Foreign Service officer at the FSO-7 level, former OMB examiner, and former NSC staffer into a deputy assistant administrator position. But in all honesty, I was better prepared for that job than anyone else they could have found.

*Q: So, that was a political appointment or was that a GS appointment?*

BUTLER: Initially a political appointment, that's right, but Schedule B rather than Schedule C. I say initially because Bob Nooter became an advisor, and a mentor to a degree. No, I wouldn't say mentor. It wasn't like he was advising me personally, but I he thought I was someone who offered something to AID. From my side I decided that it might be a way to eventually get back into the Foreign Service.

And so, I, spent a couple of years as a political appointee senior bureaucratic technocrat trying to make IDCA work. Ultimately it didn't, because the other agencies didn't like it, it didn't have strong support from anybody in the administration, and as Majority Leader he didn't have time for it. I said okay, well, I made a run at it. But I had gotten to know and respect the people of AID, and they respected me, so when I decided I wanted to re-join the Foreign Service, there were lots of supporters and potential takers. I still spoke fluent Spanish and was seen a good manager who could get things done, and they were looking for a deputy mission director in Bolivia.

*Q: Well, let's hold on for one second. I've never talked to anybody who actually worked with IDCA. Can you say a little more about why it didn't take off, why it failed?*

BUTLER: Yes, IDCA. Well, I think it was a terrific idea, a way to really put development on the map. Secondarily to put AID on the map, because IDCA was housed in AID, under the Administrator, and overseen by an assistant administrator with a staff who could pull together everything that had to do with development around the

government. Now this was before most of the domestic agencies started running their own assistance programs, but there were still a lot of things that could have been more effectively brought together under IDCA. We recruited a remarkable staff, including Carol Lancaster, who made her own powerful name later, and another dozen people who were strong sector or regional specialists.

But State hated the idea, because it was going to bring a number of their functions under coordination by another agency. Commerce and EXIM and OPIC and Treasury felt the same.

We had a number of big meetings on key policy and country issues, and managed initially to get agency heads or deputy secretaries to come. Jack Gilligan, who was the AID administrator at the time, was a seasoned politician, but not as seasoned a Washington bureaucratic infighter. Van Dyke was not known in the foreign affairs community, but he was both an experienced politician and a good bureaucrat, and a great guy. I had the interagency experience from OMB and the NSC to be Van Dyke's deputy; he did the politics and I led the substance, and we really reached out and pulled people together.

But the fact was there just wasn't much support for the idea in the Executive Branch. There was good support in the Congress; Hubert Humphrey was a powerful patron. But it was kind of like "Field of Dreams" - build the field and they will come – except we built the field and folks didn't want to play. We went from Deputy Secretaries to Assistant Secretaries, to Deputy Assistant Secretaries at the meetings. Decisions were made and communicated, but we had no way to enforce them.

In fact nobody was thrilled about the idea except for our group in AID and Hubert Humphrey's staff, who wrote the legislation. Gilligan and Humphrey tried to mobilize Carter, but after initial support Brzezinski headed that off, since IDCA was in some ways doing an NSC interagency function. Over time it just withered.

*Q: Was it abolished or what happened?*

BUTLER: You know, I guess I don't really know. I think it just sat on the books and org charts for years. Van Dyke resigned and I left to go overseas. Tom Ehrlich came in to be the assistant administrator. He was a lawyer from New York - a very nice and a very smart guy, but he didn't know the substance. IDCA stayed on the books and org charts for years – for all I know it still exists legally, somewhere.

*Q: I'll be darned. Ehrlich eventually became president of Indiana University.*

BUTLER: Did he?

*Q: Yes.*

BUTLER: My guess is he was a great university president He was a fine man, but very different from Van Dyke. Ted Van Dyke would consider an issue for 90 seconds and start doing things. He was all action, very sure on his feet, very effective. And if you got on the wrong side of him you found out about it very quickly. Ehrlich was very different. He would think about things very carefully and really wanted to know what he was deciding, what the issues were. I liked him a lot.

*Q: I'll be darned. You know, right now there is still, as people look at the possible reorganization to the foreign aid function, there are some people who would say well, let's develop another organization that is an overarching sort of coordinator of foreign assistance, perhaps like IDCA - and it could sometimes-*

BUTLER: Well, I remember that came up at the alumni association annual meeting when you and I were there a few weeks ago.

*Q: Right. And what would you say-*

BUTLER: Somebody mentioned that. I don't know which one of the panelists it was.

*Q: Well, what would you say to that? Do you think that's possible to do at this stage?*

BUTLER: Well, I think it's a terrific idea, but I'd say the odds are no better than they ever were. I mean, State Department would fight it today unless it was located in State. And I don't know, who in the Trump Administration would invest time pushing the idea internally and getting new legislation? Maybe Mark Green would take it on; he's doing well and has the background to get something like that done. He could work the Hill aspect, and maybe the interagency aspect. I don't know how he gets along with State, but he's got a lot of the characteristics that it would take to pull it off if he could get somebody in the Congress to pass the legislation. Of course he'd have to sell the White House, John Bolton! Well, John worked at AID for a while, Assistant Administrator for PPC, and might find it useful. So who knows?

*Q: I think, Malcolm, maybe this is a good time to take a break as you're sort of entering going back into USAID and going back overseas. So, if you don't mind I'm going to cut this off and then let's talk about when we can do this again.*

BUTLER: Yes, that's fine. As a matter of fact, my voice is about to give out anyhow.

*Q: This is John Pielemeier, second interview with Malcolm Butler. And we are - Malcolm was working at the National Security Council and was coming into the end of an administration. And Malcolm, we'll turn it over to you to explain why you stayed an extra year, and what came next.*

BUTLER: Well, I'm not exactly sure, John, where we left off, so let me just do a summary transition here. When I was with State I had not worked much with AID; I was not in countries where there was an AID program. But when I went to OMB I worked on

all sorts of international economic programs from the World Bank to EXIM Bank to everything else, and the same was true at the National Security Council. At OMB I was exposed to AID operationally and became very interested. When I moved over to the NSC I was in touch with AID and in particular, I guess, the person that I was in frequent touch with was Bob Nooter, who was the deputy administrator.

I joined the NSC during the Ford Administration and stayed into the Carter Administration, for, I don't know, nine, 10 months, a year. That was not seen as a political appointment, but at some point I started thinking about what I wanted to do next, and it occurred to me that of all the things that I'd been working on, AID was the one that captured me most. We were now in the Carter Administration, and Jack Gilligan had taken over as administrator and Ted Van Dyke had taken over as the head of the new intergovernmental and international affairs bureau. IIA had been created to house the IDCA Humphrey had legislated to bring more coherence and integration to the foreign assistance programs. Humphrey was a big fan of everything having to do with development, and he saw, correctly, that our many development-oriented programs were not very well pulled together in Washington or in the field. AID was looking around for somebody who knew those programs to be deputy to the new AA. I went over, I talked to Gilligan and Van Dyke, who offered me the job. So, that was my move to AID.

And it was - I've got to look back on it and say wow, I just thought I was moving into another very interesting and challenging job, but not realizing that I was moving into another way of life.

I think over time I earned my spurs within AID and its senior career folks. I worked hard and I think pretty effectively within and across the Agency, and at about the time IDCA was slipping they approached me about coming back into the foreign service and becoming deputy director in Bolivia. We had a political appointee as the AID director who was well connected, but things were getting difficult in Bolivia with the narcotics issue and political instability, and they wanted someone there who could handle the relationship with State and potential redesign of the program. After five or six months, the narcos essentially took over the country. The US withdrew the Ambassador and the AID director, and I became acting director.

*Q: So, you went to Bolivia, you hadn't worked inside an AID mission before, although you'd worked with State.*

BUTLER: That's right. I had a lot to learn about AID processes, but I could defend and potentially redesign the program, and by that time I knew a lot of the "good" Bolivians. I tried to learn fast, but I had the good fortune that the head of the project development office was a (then) young guy named Terry Brown.

*Q: But Bolivia had a pretty big program, didn't it?*

BUTLER: Yes, Bolivia at that time had one of the larger programs in Latin America, but after the narcotics crowd took over the US downgraded its presence, including the AID

program. State in Washington wanted to send a strong signal by ending the program. I argued that that was not in anyone's longer-term interest. I put together a package that ended several of the high-profile programs we had with the government, but kept the programs we had with the private sector and the non-profit sector. We suspended some smaller government programs that we would be able to put on hold without damaging them. This package, I argued, conveyed a strong message to the Bolivian government that we were not at all happy with them, but also that were prepared to continue to work with the Bolivian people, and could respond quickly to positive developments down the road.

The package was my idea, but I was still learning how AID worked in the field, and I couldn't have translated it into program documents or action without Terry's support.

I sold this package to the embassy, because they didn't want to close down everything. State/Washington was still not happy, so the Chargé, Alex Watson, asked if I would go to Washington to sell it to his bosses. Alex went on to become Ambassador to Peru and then Assistant Secretary, just is a fabulous guy, and we are friends to this day. The key DAS in LAC was John Bushnell, who gave me a rough time at first, but was very fair, and eventually helped sell the program on the seventh floor. We had known one another when he was in EB and I was at the NSC.

*Q: So, what were a couple of those large programs? Can you recall?*

BUTLER: Well, they were large agriculture, health, education and regional development programs - the big programs that went through the ministries were the ones that we cut. The cuts hurt the government and some ministers, and these were tough guys. So we had some very tense, occasionally scary, meetings. My name was in the paper, and not in flattering terms. We were pretty careful with our movements for a while.

We went through the portfolio, and divided it into three categories, the ones that we wanted to keep going, because they were not with the government; the ones that we wanted to preserve because there would come a time when we wanted to go back with the government, and those that we wanted to dramatically cut to send a message to the government. The people in AID – led by the very savvy DAA Buster Brown - were receptive, and the people in State were not, because they were trying to send the strongest possible signal.

*Q: So, the State people wanted to go further and perhaps even close the program?*

BUTLER: Yes, they wanted to send the strongest possible signal, understandably – just put the AID people on the plane and close the accounts. They didn't fully appreciate the distinctions we were making. There were some really good State people at the time. John Bushnell was the deputy assistant secretary and turned out to be an important ally, after we convinced him. He came to appreciate what we were trying to do, which was send a strong signal, preserve options for the future, and, shift additional resources to non-profits and private sector programs. I've got to say I thought we did a good job of accomplishing the three objectives that I thought were appropriate; one, sending a signal, two, keeping

some things in place that we could rapidly ramp up when the time came, and thirdly, keeping a vibrant program, even an enhanced program for things that didn't have anything to do with the government.

*Q: Good. Sounds very interesting. Were there any other people in the Bolivia mission that you remember as being helpful in this process?*

BUTLER: I already mentioned Chargé Alex Watson. He was a fabulous guy. Alex went on to become an ambassador and Assistant Secretary, and after government became a Vice President at The Nature Conservancy. I didn't work with him when he was an ambassador but he was just a pleasure to work with in Bolivia. In the Mission, there was Terry Brown, Dan Chaij, who headed the large ag office, Mike Deal who was on his first tour but bright as hell, Tom Geiger, the lawyer, and John Greenough, the Executive Officer who I managed to drag into lots of tough assignments in subsequent years. He's the one who started calling us "the Dalmatians" after Lebanon, because it seemed we were always jumping on USAID's fire trucks.

*Q: Who was the leader, who became the leader, the president of Bolivia at that point?*

BUTLER: Well, Natusch led the first coup. Popular unrest forced the Congress to turn to Lidia Gueiler, who was I think, Speaker. She had popular support, but was soon overthrown by Garcia Meza, who had friends in the narco trade. There were three or four coups and counter-coups while I was there, lots of street fighting, lots of keeping our heads down. The Mission was in a bank overlooking the main square, and I got used to coming back to broken glass and bullet holes.

*Q: So, that would have been about what years we're talking about?*

BUTLER: I was in Bolivia in 79 through 81, so that period.

*Q: So, you said you were there for two years.*

BUTLER: Almost three.

*Q: And then what happened?*

BUTLER: Then I got a call from Buster Brown, who was the deputy assistant administrator for Latin America, and he said well Malcolm, it looks like the Bolivia program is not going to grow again. We're going to activate the stuff that's there but it's not going to be a growth business in the short term, so why don't you go to Peru, where we're going to support Belaúnde strongly. I thought well, it's just down the hill from Bolivia, peaceful, and a good growth opportunity, and so I said okay.

Oh, listen. This makes me realize that we have not talked about the fact that I was half of a tandem couple. But I was. I met my wife, Letitia, or Tish, in USAID, and we got married between Washington and Bolivia, where she was assistant program officer. And

when we moved from Bolivia to Peru, there was no vacancy for her, so she sat out six months until one opened, which was not good for her career. But overall, we were very fortunate; it was the only career sacrifice that either one of us had to make because we were a tandem couple. It was helpful that I was 10 years older than she, and it made it easier for there to be layers between us in the missions.

*Q: So-*

BUTLER: Anyhow, we went to Peru.

*Q: So, this Letitia, right?*

BUTLER: Known to the world as Tish.

*Q: Yes. I wanted to give the proper name. So, you certainly picked a wonderful woman, that we know.*

BUTLER: Yes indeed.

*Q: So, going back to the interview. You went sort of directly- you transferred directly to Lima?*

BUTLER: Yes. And I really think the fact that I had served in Mexico City with State, and had language aptitude – I was four plus, I think, when I left Bolivia. I mean, it helped me be more credible when I moved into AID that I had overseas experience and that I had languages. And it made it easier for me to be assigned, too.

*Q: And you were assigned as director or deputy director?*

BUTLER: I'd been acting director in Bolivia for two years, and I went to Lima as director.

*Q: And was the program larger, smaller? How would you describe the program in Peru?*

BUTLER: The program in Peru was not as big as Bolivia was when I went, but it was bigger than it was when I left Bolivia, and growing. And it was very interesting because Fernando Belaúnde was the president, and he was a champion of everything having to do with development. So everybody saw AID as being in a very fortunate, one would even say privileged, situation in Lima, which was one of the things that really was exciting about it for me.

*Q: And one of the things I recall is that he was also taught by Peace Corps volunteers when he was in school, I believe. He's mentioned that at some of the Peace Corps reunions.*

BUTLER: Oh, really? Well, the good thing about Belaúnde from USAID's perspective was that whenever we had a problem within his government all we had to do was take the issue to him and he'd settle it, usually in our favor. But after it became clear to the rest of the government that he was going to resolve issues in favor of development, writ large, and USAID writ smaller, we had fewer disagreements. And so, whenever we needed a policy change or a few additional resources to make something happen it was – well, I've never had a more favorable - well, Cory Aquino was also pretty pro-development. But anyhow, it was a good working environment.

*Q: Wonderful. And the program, what was it focused on?*

BUTLER: It was a rural development-oriented program. We had a large agriculture portfolio. Again, regional development was an approach that was popular then. We had health programs, we had education programs. And we had a number of programs in the macroeconomic area. We didn't really have much of that in Bolivia, but in Peru we did have some programs that were in that area, and the person who led that within the mission was a marvelous woman named Janet Ballantyne, who of course, is now no longer with us but left a heck of a mark in senior positions at USAID.

*Q: Any other people in the mission that you recall who were running the programs?*

BUTLER: Well, yes, I mean, it was a strong mission and I mean, I feel bad naming a few without naming most, at least the office directors. And I guess Janet really sticks out in my mind. John O'Donnell was the agriculture guy and he was also very effective.

*Q: Who was your deputy?*

BUTLER: Well, the deputy was Howard Lusk. He had been acting director for several months when I got there, and there was some question as to whether he would be reassigned. But we got along really well, and he remained as deputy, and was great because he knew the mission, he knew the people, he knew the government fairly well so it was great to work with him. The ambassador at the time was Ed Corr, who was also a pleasure to work with.

*Q: How long were you in Peru?*

BUTLER: Well, that's an interesting story. I was settling in for at least three years, I thought, and one morning about a year in I got a call from Peter McPherson, the Administrator at the time, who I really didn't know all that well. I had met him when he visited once. But he called and he said Malcolm, I'd like you to think about Lebanon. It was a shock so early, but I started to think. But I got another call the next day and he said he wanted me in Lebanon in five days.

*Q: My goodness.*

BUTLER: And I said, what? I said, you know, Peter, I've only been here a year. I'm just now really hitting my stride. There's so much we can get done, and I've managed to retool the program for the opportunities; it'll be just great. And he said well, are you telling me no? And I said well look, do I have a choice? And he said not really.

What had happened, of course, was that the US had decided that we were going to put Lebanon back together, and somewhere Peter picked up my name. Probably it had to do with the repackaging of the Bolivia program, and working successfully with State, and my State, NSC and OMB background, and the fact that Lebanon was clearly going to be a challenge. It was going to be a lot of money and it had to go from zero to sixty in three seconds. The problem was that I didn't speak French or Arabic, and felt strongly about language. So I said to Peter, you've got to give me language training. And he said Malcolm, I said five days. And I said well, then I have to at least talk to the folks in the State Department and get the lay of the land and figure out how - I said you really can't just expect me to get off the plane in a country that I know nothing about, and do what you want to do with this program. So, he backed off a little bit, he said well, does that mean you'll go? And I said yes, I'll go but I've got to have, you know, I'm part of a tandem couple. And he said no problem, we're staffing up and there will be positions. And the good news was that there was a vacancy which was appropriate for Tish.

*Q: Well, good.*

BUTLER: So, we went back to Washington for just, I don't know, maybe three or four weeks. I didn't get any language, but I did get a chance to talk to friends and find out what was happening in Lebanon, at least a little bit.

*Q: Well, tell us, give us a little background on what was going on in Lebanon at that time.*

BUTLER: Well, Lebanon had been in civil war for, I'm really not sure - this was '82 - probably 10 or 12 years. And the civil war was - the Israelis were backing the Christians and the Syrians were backing the Shia and the Sunnis were being backed by Saudi Arabia and others, and - the government was put together in an arrangement which exists to this day. As a matter of fact, it was in the paper today because of Hariri's resignation from Saudi Arabia, and then rescinding or suspending his resignation. It all has to do with the balance between the Shia, Sunni and Christian factions in Lebanon. So, anyhow, the idea was to rebuild Lebanon as a democratic, multi-factional bulwark of democracy in the Middle East. The question was how were we going build from a small humanitarian program with a few NGOs (Non-Governmental Organizations), probably about a $20, $25 million program. They wanted to put that up to $250 million very quickly and aim toward $500 million. The program was to back the reformist elements of the Lebanese government but also convey the message that we were not going to be favoring any of the sectarian elements of the government - the Sunni and the Shia and the Christians were going to have to work out among themselves how to spend the money together. And we designed the program to bring all those groups together, and initially succeeded to a degree

So every program involved sitting down with the presidency, which was the Christian group, with the social ministries, which were divided between Shia and Sunni, and the economic ministries which were similarly divided. So it wasn't just dealing with the government; it was dealing with three pieces of the government and the amount of money would make it worth that incredible effort. And it meant that for each activity they had put up one person that we could talk to and who was credibly tri-sectarian. Plus we needed an overall program czar. That was an extraordinary challenge. It made every negotiation very difficult. Of course the ambassador, Bob Dillon, was fully on board with that – I'm sure he established the criteria. He was very helpful and followed us very closely, despite the extraordinary array of diplomatic challenges he faced. Whenever we needed him, he was there because we were one of the best ways that he had to encourage the various sectarian groups to work together. And it was actually more complex - we also had the Druze and we had the Copts and we had the Greek Orthodox. And every agency in Washington wanted part of it.

*Q: Who was there when you arrived; who had been directing the program?*

BUTLER: Bill McIntyre had been the director of the program. He was really good at the limited NGO program that was there, but he was not too excited about the much larger program. He ended up staying with that part of the program and doing an excellent job until, tragically, he was among those killed when the embassy was bombed. Which was a year later.

*Q: Let's hold off a little bit on that.*

BUTLER: Yes.

*Q: So, you had to also, obviously, staff up the program.*

BUTLER: Yes. Yes, although we had a real problem on that. Lebanon was a dangerous place and State wanted to beef up the program in money terms but not in terms of exposure of staff to the danger. So, we had to fight for every additional position that we brought in. And I think we never got more than, I think there were five, six people there when I got there and I think maybe we got up to 10 or 11 USDH, plus TDYs and Lebanese nationals, which was not very many people to run a program of a quarter-of-a-billion dollars.

*Q: My goodness.*

BUTLER: Although we were able to add strong Lebanese staff. That's where we could beef up and we really - we got a high level of professionalism and dedication from our Lebanese employees.

The other person that I really want to mention who was terribly important to us was Anne Dammarell, who had been there with Bill, and knew the NGO program, but was also

fully committed to expanding the program and doing whatever she could. She was a very valuable resource. And she was, again, not to get ahead of ourselves but she was severely injured in the bombing, but fortunately survived. I saw her just the other day. She's a terrific woman.

*Q: Right, right. What was the housing - how did they handle housing for you, given the security situation? And your staff.*

BUTLER: Well, by today's security standards it was just - I mean, a regional security officer today would have taken one look at the way we lived there and walked away. I mean, everybody lived in scattered apartments because that's how you lived in Beirut.

So, yes, we lived in a high-rise apartment building, Tish and I did. Everybody at that time lived in West Beirut, which was the most cosmopolitan part of the city. East Beirut was the Christian enclave and West Beirut was the largely Muslim enclave, and that's where the embassy was located. So that's where we lived.

*Q: And were you - was the AID office separate from the embassy?*

BUTLER: No. The office was in the embassy, and when the embassy was bombed, of course, the mission was bombed.

*Q: What kind of programs were you building up in your year before the bombing?*

BUTLER: The portfolio was heavily oriented toward reconstruction and reconstruction planning. The largest and the most important thing that we backed very heavily was the reconstruction office. It was not a ministry; it was out of the office of the president but it was run by a guy named Mohammad Atalla, who was a really sage guy, politically savvy, economically, diplomatically, and a very polished person. He was a pleasure to work with. He set up a group of about 30 people, I guess, and with our funds and our expertise and their expertise, and their executing ability we in a year made some really remarkable strides in terms of how Lebanon could be put back together. We provided some very strong American experts. But of course, in a year we weren't able to actually do it.

And then we had humanitarian programs. We built some field hospitals. And we had a number of programs with the major Lebanese non-sectarian organizations. I mean, the NGO programs we had we shifted so that they were going to all three religious groups. That was larger than you might expect, because they were already operating, while the government was putting itself together. And many of the NGOs were better at bridging the sectarian divides than the government.

*Q: I recall- wasn't there a housing program there as well?*

BUTLER: There was a housing program, but it started late and didn't get far before we were bombed. The housing program was run by Al Votaw, another person who did not survive the bombing.

*Q: That's right. Yes. So, you then - your job was to work with all three parties of the government and you had personal contacts with all the leaders? Or how did that work?*

BUTLER: Well, no, my job was to interact with the government but make a point of making sure that when I was interacting with the government the government was speaking for all three parts of the government.

*Q: I see.*

BUTLER: I mean, the sectarian groups. And so, sometimes that meant that when we sat down with the minister of education or minister of health we would have to make sure. Well, the minister of health was someone who really was able to speak for everybody. Some of the other ministries weren't, so we'd be sitting opposite three people. And even when it wasn't three people it was three mindsets in many cases.

*Q: Interesting. I'm sure that had some impact on how you hired staff for the AID mission also.*

BUTLER: Well, I tried to make that secondary, and we really went for the best people. Of course, in my mind I was also thinking that it would not do for us to be overwhelmingly one or another group. So we were diverse – we had a Greek Orthodox controller and a former Sunni fighter in the admin office.

*Q: And American University of Beirut was there, already operating, right?*

BUTLER: Yes. It had been operating for many, many years, as a matter of fact. And the president at the time was Malcolm Kerr, who was later assassinated in Egypt. Wow, that's getting a lot of - it's beginning to sound like a cemetery here, but it was a difficult part of the world.

Let me just go back to the question of the local staff. One person who needs to be mentioned is Nadim Matta, who was fresh out of graduate school, about 24. And he was just absolutely remarkable. In fact, after AID's Americans were pulled out, after the bombings, he basically took over the program and ran it remarkably well. He went on to go to Yale Management School and then became a very successful management consultant. He recently started up a non-profit to take his firm's corporate methodology to the development world, and I'm happy to be on his board.

*Q: Were you supporting the American University at that point or was AID supporting the university?*

BUTLER: Yes, but largely through ASHA rather than the Mission, although we used some of their people.

*Q: American Schools and Hospitals Abroad, right.*

BUTLER: Yes, American Schools and Hospitals Abroad. Yes, we had a good relationship with AUB.

*Q: And were you able to travel around Lebanon?*

BUTLER: Well, yes. We could not go to the Bekaa Valley, which was the eastern part of the country on the Syrian border. We were not supposed to go to the far north, Tripoli, which was not stable. We were able to travel all through the south, which was where most of the Palestinian refugee camps were. And we were able to travel in the mountainous central part of the country and up into the north. So yes, we got around a fair amount. The thing about Lebanon is that you didn't have to travel far to get a lot of variety. The joke people tell was that you could water ski in the morning and snow ski in the afternoon, moving from the Mediterranean up to into the mountains. Although if you snow skied you had to be careful, because if you took the wrong run you could find yourself in hostile territory.

*Q: Right, right. Well, shall we move on to the bombing itself?*

BUTLER: Sure.

*Q: Were there any- was there any information coming in that might have predicted this sort of thing?*

BUTLER: No. It was a very difficult environment and in the Palestinian refugee camps there was always something going on. And in the far east of the country, in the Bekaa Valley, that was a hotbed of what became Hezbollah. And in the north, there was opposition to the government. It was not a safe country. And there were car bombings and assassinations in Beirut; I won't say all the time but numerous occasions in the year we were there. But no, there wasn't a lot of information, certainly not in AID or the Embassy, that an attack was imminent. Of course we were always on high security alert.

*Q: And then these other car bombings were all directed towards Lebanese rather than foreigners?*

BUTLER: Yes, the Syrians felt like Lebanon was theirs all along, and anybody that they wanted to get rid of they could and they did. And so, there was an awful lot of things related to the civil war and within the factions, not only among the factions but within the factions. It was a very violent place. Had been for a decade before and was for – well, it still is.

*Q: So, explain- tell us what happened when the bombing occurred.*

BUTLER: Well, I wasn't there, I've got to say. Because had I been there we wouldn't be having this conversation. I left two days before the bombing for my first visit back to Washington. My office was not part of the embassy that collapsed, but it was on the front

of the building and it was badly damaged. When I went back to my office it was – well, I would not have survived had I been in it. But I had been called back to Washington for the first time since I had gone out as director. Going back was routine, you know, why don't you come back and we'll talk within AID and on the Hill and just catch up. I guess this was about maybe nine months after I got there, eight, nine months. So, I got on a plane and flew back, and was staying at that hotel that's right across the street from the State Department.

I was asleep, sleeping off the jetlag, when the phone rang and it was somebody calling from the State Operations Center, who said how soon can you get over here? And I said well, I just got off the plane and its 5AM and I'm sound asleep; why, what's up? And he said, you don't know? And I said no, I don't know. And he said well, there's been a really -- and they became very cautious -- an important event in Beirut and if you turn on TV you'll see it. So, I woke up and turned on TV, then jumped in the shower and threw on some clothes and went over. They wanted me because I knew the building and knew where the offices were and all that. They had pictures coming in and I could help them figure out what parts of the embassy had been hit. They had a couple of open lines, but it was pretty chaotic and having someone at hand was useful. So I spent, I don't know, I can't remember; it seems from about 6:00 in the morning to 1:00 or 2:00 in the afternoon just trying to sort out messages.

The bomber drove the truck into a semicircular entranceway to the embassy, then tried to drive right into the cafeteria. It was lunchtime, and that's where most of the people were. A lot of the casualties were in the cafeteria; they knew what they were doing. But that was also fairly near the center of the building, and it brought down a lot of the floors and offices above. The building was six stories high, and the CIA station was on the sixth -- I don't think there's anything classified by now about this -- and it just destroyed the entrance, and the front of the central part of the building above the entrance came down. The ambassador's office was off to one side a little bit and so that was a key question, except they'd already heard from the ambassador at this point. He was OK but had a very close call. They were thinking about what was classified and what needed to be especially secured. But the embassy was way ahead - nobody from Washington needed to tell them what to do. In that sense I was superfluous. But nonetheless they had a thirst for information about what was damaged and who was likely affected, etc.

I also said you know, I've got a wife over there. They had several open lines, and it took a while but then someone had said they'd seen Tish at the hospital. My first question was, you know, in a hospital bed or walking around, or what? Fortunately, it was walking around. She had survived with bruises - was blown across her office - but had been at the hospital trying to identify wounded and dead, and provide support. There were three American AID employees who were killed: Bill McIntyre, the Deputy Mission Director; Al Votaw, the housing officer; and Tom Blacka, who was the controller. Bob Pearson and Anne Dammarell were very seriously injured. And there were I believe 17 Lebanese or other foreign nationals who were either with AID or contractors or visitors on AID business, who were killed or wounded. It was a horrible day.

*Q: Oh my.*

BUTLER: George Shultz, the Secretary of State, decided that he really needed to go out, and that was the right call. So they put together a trip and a small group hurried out ahead of him as the advance party. The Lebanese airline cleared space for us. We got to the airport and found that we all had first-class tickets – it was the only time I ever flew first-class on AID business. They treated us with great sympathy. But the next two or three weeks were just mayhem.

If you can imagine. We had to- I mean, the word from the top was they're not going to blow us up, by god; we'll show them - we're not going to miss a beat. The program, the AID program, the whole diplomatic presence, everything is going to go on as if nothing happened. And so we set up shop in an adjacent building and tried to keep things going in total chaos and with fewer people. But mainly it was just - in some ways it was good that we had to throw ourselves into the work, but it was very, very traumatic, and still very difficult for me as I think about it.

*Q: Was there ever, I mean, I don't want to go too much into detail but did anybody claim responsibility for the bombing?*

BUTLER: I don't think anybody ever claimed responsibility, but it was – I don't know if there was an official assessment, but the word was that it was the Syrians, acting through what has now become Hezbollah.

*Q: Alright.*

BUTLER: And of course we had our wounded. Anne was still having surgeries two years later. We'd have to ask Anne but I think she had 23 fractures or something. She was very badly injured, but she had, and has, incredible spirit.

*Q: Oh my. Oh my. I had no idea. Wow. And this is from the roof falling on people?*

BUTLER: Well, she was in the cafeteria. Both she and Bob were in the cafeteria, and they were literally blown through a wall. I mean, the wall was blown out and they were found on the other side of what used to be a wall.

*Q: Well, that's an extraordinary story.*

BUTLER: Fortunately, Tish was not injured. She had a very frightening experience – helping the injured, climbing down a ladder through flames to get out of the building. It took her a while to get out of her office because all the doorjambs had been blown out of kilter. Anyhow, we don't need to go into all the details, which get pretty gory. She was looking for colleagues in the morgue….

*Q: Well, it doesn't hurt to put it on the record.*

BUTLER: Yes. Well, you know, the truth is that I think it's - for whoever reads or listens to this - the danger of Foreign Service life is underappreciated. In fact, I think somebody did a statistical look at it and found on a per capita basis it was three times as dangerous to work for AID as to be in the military. Most people don't realize the number of foreign service people who have been killed or injured.

*Q: Right. How did you and your staff deal with the trauma of those who survived?*

BUTLER: Well, in some ways I guess we're all still dealing with it. State sent out a team, two or three psychologists, and everybody interviewed and had a chance to get off their chest whatever was on their chest. But sitting with somebody for an hour is not going to deal with that level of trauma. It was- I mean, there are important parts of that that are still with me, and I wasn't even there. I mean, there was street fighting when I was in Bolivia, and I came into the office to find bullet holes all over one wall. And we had to find our way through violent situations in Peru, where Sendero Luminoso was active, although it didn't affect me directly. I was on a hit list the whole time I was in the Philippines, and our family was robbed at gunpoint in Guatemala. But in all these places, you know, it was a constant source of tension – the standard line was you didn't realize how tense you were until you got out of it. And it does - you know, you forget the tension or it sort of drops into the background or into your semi-consciousness or something like that, but it can never really go away, you can't let it, because if you're not on your toes you might end up in bad shape.

*Q: Well, I'm sure what they do now with people coming out of stressful situations and bombings is very different.*

BUTLER: Well, what they did for us was after we got the programs up and running again, and felt like we could do it, was to bring us back for emergency home leave; not en masse but in small groups, to get some fresh air. But then we went back at it. So, I can't say that they weren't attentive to the issue; I just don't know how much better they'd be at it today, because maybe there's not a whole lot you can do about it.

*Q: Right.*

BUTLER: You know, they call it PTSD (Post Traumatic Stress Disorder) now. I mean, it's not like being in combat in Iraq or someplace, but it's a form of PTSD, I think. They were understanding, but when after we went back where there were rockets raining down on Beirut and going off all the time, and you had to pull your mattresses into an inner hallway because you didn't want to be on the outside of the building if something hit it. You know, it takes a toll. But when I look back at it and there's a certain distance, I don't really feel like it affected my ability to work all that much.

*Q: Well, certainly one of the more extraordinary events in AID history and the sad ones and I'm sure that- Did you attend funerals for the people who were killed back in the States?*

BUTLER: What happened was that all 17 Americans who were killed in the Embassy were taken out on one plane, and we went there to the airport to see them all off, see the caskets off. There was a Lebanese honor guard and of course the Marine Guard turned out for us – they lost one of their own - but it had to make do for a funeral for those Americans. I went to funerals for some of the Lebanese who were killed. Of course this was before the Marine barracks was blown up with the loss of 241 Marines, if I remember right.

You know, I don't want to spend too much time on this. I mean, I feel like I need to pass it on to whoever wants to listen or read, but when I think back about my time in AID, I don't think of violence as being that much a part of it.

*Q: Well, you seem to- you've had your share, for sure.*

BUTLER: Yes, I guess that's right.

*Q: So, you stayed in Lebanon for another year? How much longer?*

BUTLER: No, about another five or six months, I guess. And then basically the situation didn't look like it was getting any better, and State decided that they would permanently cut down the size of the embassy. Meanwhile, we'd been doing everything we could - we saw this coming, of course – to put in place a pretty good Lebanese contingent. I mean, the program was cut way back but our Lebanese employees kept it going. And after the Americans pulled out, a skeleton embassy staff stayed on, including Bob Dillon, the ambassador, who was just terrific, and Ryan Crocker, who later became ambassador to four or five countries, maybe the finest Middle East diplomat of our time, and a fine man. He was at that time the third secretary in the political section, and famously stood in the Embassy door and told the Israeli army no, you're not coming in. He's now on the board of Mercy Corps, and we get in touch when he's in town. I saw him a few weeks ago. A magnificent guy. Fluent in Farsi, Arabic, Urdu, who knows what else.

Anyhow, when we were finally pulled out it was under fire. We went first to the airport, waiting in a bunker until an artillery duel eased and they could get a helicopter in, then went to a Navy ship offshore, then by a larger helicopter to Cyprus, where we ran a rump AID office for a couple of weeks before returning to the US.

*Q: Where were you sent for your next assignment?*

BUTLER: Washington. I came back to Washington as a senior advisor to the front office. Peter McPherson initially gave me a couple of special tasks, special studies of problems and issues. We got along well, and after three or four months he asked me to become Executive Secretary of AID. And I worked very closely with him.

*Q: What year would that have been?*

BUTLER: '83, '84, into '85.

*Q: And what was Tish doing?*

BUTLER: Tish was initially head of monitoring and evaluation in the Asia Bureau. But then she was asked to join the Haiti task force, because she also had the reputation of jumping into critical tasks. Then they put her on the Afghan-

*Q: Cross Border Program, right. Yes.*

BUTLER: So, she had a series of high profile, high importance jobs.

*Q: Yes, right. So, how long were you exec sec?*

BUTLER: I was the executive secretary for, I think two years or two-and-a-half. And then Peter asked me to become acting AA for Latin American.

*Q: Before we get to that, exec sec is a very busy, time consuming job, isn't it?*

BUTLER: Yes, yes it is. It's kind of like - you know, I hear how Kelly describes his job in the White House - it's traffic flow, and making sure that all the opinions are there when somebody makes a decision, and essentially that's what I found myself doing. I was not called chief-of-staff, and I wouldn't pretend to say that I was a chief-of-staff, but Peter used the executive secretary to make sure all the decision paperwork was high quality, vetted and balanced going to him, that everybody who needed to be consulted had been, and that everyone who should be in a meeting there, was. And of course I participated in most of those meetings. Sometimes he asked me to pass difficult messages or communicate difficult decisions or probe difficult situations. It was a great way to learn how the agency worked and I enjoyed it. But they were long days.

*Q: I bet. Were you in most of those meetings or were you just sort of the person who made sure they happened?*

BUTLER: I was in most of them, and I got special tasks, you know, work this out, contact these people and see if you can do this. Peter had a deputy, of course, Jay Morris, who was very good on everything political but not strong on the substance, so I ended up with a lot of that work. I loved it; I really enjoyed it.

*Q: Remind me when we finish I have a little thing to chat with you about because I was up there at one point, too.*

BUTLER: I remember.

*Q: So, very, very different jobs from running AID missions in Latin America and the Middle East. You're back in the heart of the bureaucracy, which you'd done before with the NSC and OMB, and were you thinking all this time well, I just want to stay here and no more of this overseas stuff or were you sort of itching to get out?*

BUTLER: I was itching to get out. I've always felt that I'm a Foreign Service Officer, a field hand, and when people ask me today what I do I say I'm a retired Foreign Service Officer. I mean, there are a lot of cool things that I've done since that we can talk about, but most important to me, always - I mean, I loved working in Washington and I think I was pretty good at it, but I still think that the best job that I ever had and could ever hope to have was as an AID mission director. I was fortunate to have that job in four countries. It was just terrific.

*Q: So, any particular events while you were exec sec that you want to mention?*

BUTLER: Well, it was just sort of a daily flow of stuff, and I was occasionally involved with the White House on personnel issues, and worked with the NSC and State on AID's behalf. One thing I did do which I particularly enjoyed was when we decided to pump some real money into Ethiopia to deal with the famine. It was kind of like things were in Lebanon, in the sense that we had a small PVO (Private Voluntary Organization) program and decided to bump it up really fast. Peter said who can we get to do this, and I sort of cleared my throat. He said what about Exec Sec, and I said the staff is good and can handle the traffic. So he said, OK, go out and deal with the government and the various groups, and we'll find somebody to take it over after you get it going.

So, I went out for six or seven weeks and again, I loved it. Dealing with the government, dealing with the U.S. NGOs and trying to bring them under an umbrella so we could deal with one group instead of 15, and everything with the embassy, and being in touch back in Washington. It was difficult, because the people and outside groups who were there were stuck with the way they'd been doing things in a much smaller program, so there was an internal management issue as well. And the government wasn't taking us very seriously. Anyhow, once things smoothed out Peter called me and said well, Malcolm, I need you back and I've talked to Fred Fisher, who will go and take the program over. Fred was exactly the right person. So, I think it was after about six or seven pretty intense weeks. And of course, dealing with the Ethiopian famine, I mean, going into those refugee camps where they were, you know, 20, 25 babies a day dying, was pretty traumatic. So I was ready to come back.

*Q: Anybody else that you worked with out there that you recall?*

BUTLER: Well, I was - I went out by myself – and because I've just said a couple of somewhat negative things about the people who were there maybe I won't mention any names.

They were doing a great job with a much smaller program than was envisioned, and so moving from tens of millions to hundreds of millions of dollars wouldn't have worked. It wasn't that they weren't good people, they were very good for the program that they were recruited for, but it was becoming a different program.

*Q: So, Peter wants you back and what did he want you to do then?*

BUTLER: Well, I came back to being executive secretary. Ethiopia was just a TDY.

*Q: You went back to the same job?*

BUTLER: Yes, for another, year, I'd guess. But we wanted to go overseas again. First it was going to be Costa Rica, I knew and respected Deane Hinton, the ambassador there. But then Marcos was forced out of the Philippines. The program had been constrained with his government, but the US really wanted to ensure Cory Aquino succeeded as the democratically elected president, and was going to put big resources behind it. The plan was to take the program from whatever it was, $50 or $60 million, up to $600 million.

And so, they asked me if I was interested, and I said this is for me. The other thing that was attractive was that they wanted Tish for a slot at the Asian Development Bank – a good job, and she would be out of the chain of command issue with me.

*Q: What year did you go? Sorry I keep asking this.*

BUTLER: I went out there a couple of months after Aquino was elected so we can trace it to that.

*Q: And who was your deputy?*

BUTLER: My deputy to start with was John Blackton. He had been the deputy before, with the Marcos government, and he was a very smart guy, with no shortage of confidence. It was good to have somebody who was that knowledgeable to help the transition. But there was a little bit of tension, with a new director turning the program around and I had my own ideas and my own style. When it was time for his reassignment, I was aware that Dick Johnson was available. Dick was a crackerjack economist, and we were very much involved in the macroeconomic picture in the Philippines, working with the IMF and the World Bank, and he had a reputation as being great with people, very calm under pressure. I thought it was a good swap. Dick and I worked really well together.

Both the American and Philippine staffs were remarkably strong. To name a few – Bryant George ran this very large and very successful PVO program; PVO co-financing we called it. We said if you guys want to do this we want to help, but you've got to be able to raise money for it from the private sector. It was called "co-fi" because we put some money up, and they put some money up. It was the largest PVO program that I ever heard about in AID. It was like $30-$40 million a year; as large as many country programs. Bryant was extraordinary. We had Dennis Zvinakis on agriculture, Bruno Cornelio on the private sector, Ken Prussner on the environment, Lisa Chiles as the lawyer, Dan Sutton as Exec Officer, many others. Linda Hooper kept the front office – in fact, the whole mission – on track. Earl Gast, later an AA, was outstanding even on his first tour with AID, Rodger Garner was in agriculture, and later became a mission director. The local staff was just as good - Lisa Magno, for one, became direct hire and is

now an AID Rep somewhere in Eastern Europe. Grace Agana supported the front office, and subsequently supported a series of directors in Afghanistan. There were a couple dozen Filipino staff who were just extraordinary.

I think we had 26 or 28 American staff and a Filipino staff of a couple hundred. We had a very ambitious program, a very capable staff and a very capable Philippine government.

*Q: And how did you ramp up the program?*

BUTLER: Well, that's a very good question; I'm glad you asked it. I knew we would never be able to spend that kind of money on projects, so we had to do program work. And it was the best way to help get the structural reform the country needed.

*Q: Program assistance, yes.*

BUTLER: Which is a polite way of saying do these reforms, we'll help, and we'll give you cash to back it. I had heard that they were doing something like that In Poland, I think. Anyhow, a guy named – again, another name that became extraordinary within USAID - Don Presley, who had done some experimenting on this type of work in Poland, I believe. So I asked if he could be TDY'd out for a while, and I think he was with us for two or three weeks. He was a lawyer as well, and he brought with him a knowledge of how to go about this, programmatically, which was in some respects new to AID.

The idea was that we would basically say okay, we've got, let's just say we've got $150 million that we want to put in the environment sector, which was a very big sector in the Philippines, with dynamic leadership from the minister, Jun Factoran. So, we're going to take $50 million of that and put it into project activity, heavy on high-level technical assistance. I'm talking about life of project, three-year amounts of money here. So, we'll spend $50 million on technical assistance, increasing the capability of the ministry to design and carry out a program which we will jointly negotiate. That leaves $100 million which we would divide up into tranches which would be given to the Philippine government as they achieved very ambitious policy milestones, supported by the technical assistance. In other words, our technical assistance would help them make the reforms that were necessary for them to get the program cash from the project.

So, these were program-project packages. We did these in energy sector privatization; we did it in the environment and we did it in agriculture and we did it in health, which included, surprisingly, family planning which in the Philippines was very hard. That was another difficult negotiation. But anyhow, you asked how we built up the program; we built it up by putting in place these packages. We negotiated with the Filipinos in sectors where we had champions who were committed to the objectives.

The goals were agreed with them, even though it took ongoing leverage. There were some very tough negotiations when they weren't meeting their objectives. The line ministries were generally quietly OK with the pressure, because they wanted the reforms. The finance folks were not so happy, because they wanted the money. So in each case we

had a technical assistance team and we had chunks of money that would become available as they achieved the reform activities that we had agreed on, and which were consistent with what AID was trying to do globally at the time. These objectives weren't just pulled out of the air; these were things that they wanted to do, we wanted to do, and that we, AID, was able to defend to the Congress. When those conditions weren't there, we had to be prepared to walk away.

This was politically difficult because in macroeconomic terms they needed the money, the budget support. I worked closely and successfully on these issues with the Minister of Finance, Jesus Estanislao, and with Cory's executive secretary, Joker Arroyo.

*Q: So, the conditions precedent, as we used to say.*

BUTLER: Well, the CPs were there, conditions precedent to the disbursement of the program funds. And that money helped the ministers get things approved within the government.

And again, as I said earlier, Cory Aquino, whenever the issue went to her she usually came down on the right side. She had some great ministers. Again, I don't want to start mentioning names; it was some time ago. But her cabinet was largely quite strong. And on the macroeconomic side –

Oh, that's something worth mentioning. We did set up a working group among major donors, all of whom had the same objective, which was to help Cory Aquino replace Marcos's crony group with something far better for the country, and to make sure it succeeded. The World Bank, the International Monetary Fund, AID, the Asian Development Bank and the Japanese were also putting a lot of money in, and we formed a working group which met biweekly or so, depending on the need. But it was a great mechanism for making sure that we were in synch. We each had our own criteria and our own objectives, but we tried to make sure that at a minimum nothing we did was at cross purposes. But what we really spent our time on was making sure we were complementary and mutually supporting, and that mechanism worked. Since we were doing $600 million a year, that put us in the same league with the World Bank and the International Monetary Fund and the Japanese.

*Q: Did you meet with her personally?*

BUTLER: Yes. I won't say frequently, you know, but fairly often. She knew my name and I called her Cory - well, everybody called her Cory. And I was on a first name business with her chief of staff and the non-security parts of her cabinet, and it was just a delight. I also have to mention that I had two of the very best ambassadors that the United States has had in recent years. Nick Platt was there when I arrived, and Frank Wisner came later.

I think I was there for three-and-a-half years and it was probably two-and-a-half of those with Platt and maybe a year or so with Wisner, but they were both just great people and extraordinarily capable guys. I learned so much from them.

*Q: How did you find Aquino personally?*

BUTLER: Well, she was-

*Q: Was she substantive?*

BUTLER: She'd personally never been in government until she became president, but she had such moral authority and was so willing and anxious to do the right thing. That moral authority I think is what carried her presidency. She didn't know a lot about how to run a government when she started, but she recruited good people and she trusted them and she was a good person.

*Q: Did she ever take on the Church on the family planning issue?*

BUTLER: Oh, John. You know, the answer to that question is no, she was very Catholic, and she never took on the Church on population. But - and I won't mention any names - there was a key cabinet member who was a PhD in economics but also a member of Opus Dei. He and I became friends even though we were extraordinarily different in many ways. But what we had in common was trying to make the government work for the people. So when we had something going to a cabinet meeting that involved a family planning program, one week it remarkably turned out that all the most devout Catholics in the cabinet were absent, and the program was approved.

*Q: Well, I think, as I recall, having been there later doing work, the game wasn't over.*

BUTLER: Oh, no. I think that solution lasted maybe an hour and a half. But that's all it took in that case.

*Q: Okay. Did you get to travel around the Philippines?*

BUTLER: Oh, yes.

*Q: Were there any problems in Mindanao at that point?*

BUTLER: We were putting a big effort into General Santos, in Mindanao. But I was not allowed to go over to Basilan, the island where the Muslim insurgency was active. But other than that, I got around a lot. We learned to scuba dive there and got in 100 dives all over the country.

*Q: Now, there was also a Marxist insurgency at that point too, wasn't there?*

BUTLER: The New People's Army, it was called. They were active in Manila; that's who assassinated the assistant defense attaché, Nick Rowe. When that happened, I was down in Cebu with the governor, Lito Osmeña, and we were in an auditorium in a dedication program. Somebody came in and whispered in his ear and he came over and he said don't be alarmed, I'll talk to you later. And I looked up and slowly and quietly at all the entrances there appeared these folks with assault rifles – the governor's own security detail. It turned out that the Embassy had alerted him. The concern was that they might be going after other senior Americans, and our people knew I was on the hit list.

Our intelligence people got this sort of information, and of course we took security measures. The ambassador and the defense attaché and I were the three most visible people in the embassy; I was the director of a large and active AID program, and I was constantly going out and dedicating things and meeting people. I traveled in an armored SUV and varied routes and everything.

*Q: Well, any parts of the program, any other parts of the program you want to mention? You mentioned a big environment program.*

BUTLER: Well, we had a good privatization program. I mean, it was a high priority of AID, but something I also had no trouble committing to in the Philippines. A lot of people, you say privatization and they think Republicans. Well, it was a Republican administration at the time, but I worked comfortably under both Republican and Democratic administrations. Every place I've been, I've felt that it was important to have the private sector as part of what we were doing. We were working in privatization in the energy sector – the national energy institutional structure was heavily geared toward Marcos's cronies, and they just looted it, so Cory basically wanted to start over again. We restructured the ministry and I'm glad to say that we were able to bring the World Bank and others in with us.

*Q: What were you doing in environment?*

BUTLER: Well, the environmental ministry was just an afterthought under Marcos, and Cory wanted to run with it. So we beefed up the capabilities of the ministry and put in some very strong technical assistance. And we did one of the Agency's first "Debt for Nature" swaps with the World Wildlife Fund and Lazard Freres. The Philippines had a lot of outstanding debt and so what we did was forgive the dollar amount of the debt and use the local currency to put back into environmental activities.

*Q: Very good.*

BUTLER: One interesting thing about the Philippines was that we attracted a lot of high-level attention. Dick Lugar followed the program closely, and made several trips out, including one of ten days when met with officials but also went out to look closely at what was happening in the field. What a fine man.

We also had the Multilateral Assistance Initiative, a formal and more senior reflection of what we were doing on the ground with the World Bank, IMF, and the Japanese. Elliot Richardson was named the president's representative to the MAI, and took the responsibility very seriously. He made a number of trips out, went to the formal MAI meetings, and was very helpful, both with the government and with the other donors. Another truly fine man. He was also very supportive of me personally when things got sticky, as they inevitably did from time to time.

For example, Carol Adelman, the AA for Asia, had some people around her who were feeding her negative information on the program. Things were tense for a while, until I finally told her that I would be happy to move on if I didn't have her confidence. She knew I had the support of the Ambassador and of Richardson, and I started communicating more personally and more frequently. I should have done that sooner, but from then on things went very smoothly, and we developed solid mutual respect.

Finally, when the US sat down with the GOP to re-negotiate the bases agreement, which was very controversial in the Philippines, State and Defense named Rich Armitage to lead the negotiations. He was, as they say, a force of nature! The GOP always took the position that our assistance package was really "rent" for the bases, when in fact Congress appropriated the funds as assistance, with all that went with that legal status. Rich knew that the money was not a slush fund, and that complicated his negotiations. But he knew the story and held the line, understandably sometimes a bit grudgingly. I got to know him much better, personally and professionally, when I was doing the NIS work and he was the State Coordinator.

And in the middle of all this, Pinatubo volcano erupted, a humanitarian challenge. It also very seriously damaged Clark Air Force Base and Subic Bay. It was a tragedy which also had the advantage of simplifying the base negotiations.

*Q: Well, and Tish was enjoying her time with the Asian Development Bank? That worked well?*

BUTLER: She did enjoy it. She worked closely with the US executive director, got to see a multilateral development bank from the inside, and traveled to ADB recipient countries and funding meetings around the world.

*Q: Then somehow you had to leave the Philippines? You had all these wonderful things going on.*

BUTLER: Well, it was finally easing a bit - basically the work was done in the sense of setting up the programs and negotiating them, and dealing in Washington with AID and to a lesser extent State. I spent time up on the Hill whenever I was back; because it was such a politically sensitive program I went back to Washington every two or three months. So Washington was OK with where we were.

But anyhow the program was up and running, and didn't really need the same amount of attention. Washington saw this, and asked if I would be interested in South Africa. I knew and respected Princeton Lyman, the ambassador, and the program was growing. But Henrietta -

*Q: Henrietta Fore?*

BUTLER: - Fore was the AA for Asia. and I got another one of those calls and she said I'm setting up – was it called the U.S.-Asian Environmental Program? -- and you've been doing good environmental work in the Philippines, and you've been there three-and-a-half years and you can't stay there forever. So why don't you come back and run this program? And I said well, yes, since I was personally and professionally committed to the environment. She said this is going to be exciting, it's the sort of thing you like to do - we need to design it and get it running. I liked her and thought it would be fun.

Then when I got off the plane and walked in to Henrietta's office, she said Malcolm, I've got good news and bad news, and I said uh oh. She said Scott Spangler, who was acting administrator, needs to talk to you about something you'll want to hear.

Scott said the US had just decided to set up a large assistance program to help the former Soviet Union move to a market economy. He said he knew Henrietta and I had spent hours on the phone talking about her new environmental program, but that he wanted me to do this. And I said, I don't have the language, I don't have the regional experience, I don't know much about the issues. Scott said well, there's going to be a lot of privatization and there's going to be a lot of State Department, and there's going to be a lot of negotiation, there's going to be a lot of pressure. He said you've done a good job of taking programs from nowhere up to very substantial, and this is going to be bigger than anything you've ever done. So, I said well, we're going to need people if we're talking hundreds and hundreds of millions of dollars, and we don't have anybody here or in the field. He said that's right, and by the way State doesn't want AID staff in those embassies -- so that's another problem you've got. And I said what do you mean, "you've got"? I said what kind of staff do we have right now? He said well, it's not much, but let's go see. We went downstairs and walked into this office, and there was Barbara Turner and six or eight others, and he said this is it.

AID had put in place the program in Eastern Europe that was very consciously run from Washington, without a field presence. That's what State wanted for the NIS. I said I'm not going to do it with no field presence. And Scott says okay, we'll have field presence if you can work it out.

So we took on State, got some help from the Hill, and got the ambassadors to weigh in. They wanted someone at hand to run the programs, and were our champions. We were able to open some small missions, got the money flowing, got the portfolio in place. We built the Washington staff to maybe 30 initially.

Barbara Turner stayed on, thank goodness, as the project development deputy. Larry Crandall was the other deputy, supporting the program and country functions. The head of the program office was Carlos Pasqual, later a senior guy on the NSC and Ambassador to Ukraine and Mexico. Talk about an all-star cast; I mean, it was just remarkable. Every office director – too many to name – was excellent; everyone wanted to work on this effort. We were only a "Task Force", but we were eventually larger than most of the line bureaus.

It was hard work, and frustrating in that I spent as much of my time battling bureaucratic assaults as creating and launching programs. We were soon doing a billion dollars a year, and doing it well.

When Brian Atwood came on as Administrator, he decided to pull the NIS and Eastern Europe programs together into a new bureau. He liked the NIS field presence model better, so he merged Eastern Europe into the NIS, and kept the NIS senior management. He pulled me aside one day and said the combined program was just too high profile not to have a political AA, and he was right. He said he was bringing in Tom Dine. Tom was super-scrupulous about not making decisions, or even offering opinions, before he was confirmed. So I was acting AA for the new ENE bureau for I think nine or ten months. Coincidentally, Tom was confirmed just as I retired.

Tom and I worked well together. He had been head of AIPAC, the very powerful pro-Israel lobbying organization, before coming to USAID, and I – and others in AID - had some qualms about what that would mean. But I never heard a peep or saw anything that wasn't absolutely straightforward and program-focused. It just never came up. Tom was great with me, and became a great AA.

*Q: Did you travel to Russia and the Ukraine?*

BUTLER: Yes.

*Q: How much did you travel and what were you doing in those trips? What kinds of things were you doing, were you meeting with the Russians?*

BUTLER: Well, I was mainly meeting with, negotiating with the host countries; if we were going to do a big program in this or that sector or health sector or hospital work, environment, it almost always involved some sort of a negotiation with the government. Over time we got some very capable mission directors who could lead those talks, but to start with we really didn't have that level of experience in place. Ultimately, we got people like Jim Norris., Janet Ballantyne, that level - the best.

But yes, I traveled a lot, but it was mainly to get things going. There weren't really that many ongoing programs at that point, because they were just ramping up. There was a lot of discussion with the embassies, who had never seen an AID person, about the size of the mission or just to reassure the ambassador that this strange outfit would extend his reach rather than embarrass him. Then when Brian came in as Administrator, he wanted

to go and see things first hand. And so, several of my trips were accompanying him out there.

It was - AID has been so good to me. I just had so many terrific jobs.

*Q: How about the Russia situation? What level of people were you meeting with in Russia?*

BUTLER: Well, Yeltsin's key reformers were Anatoly Chubais and Boris Nemtsov, two dedicated economists who were always out there taking political risks. They were the ones I worked with. Nemtsov was assassinated in Moscow a couple of years ago. Those two had a cadre of young professionals who were trying to help Russia move from a state-driven economy to a market, open political and economic system. They had jobs that would be comparable to our Council of Economic Advisors, National Economic Council and National Security Council. They were the champions of change, and they were able to talk to the ministers and say look, take a deep breath - we want to do this. And they spoke English. So, by the time I got to the ministers, basically the direction had already been set.

*Q: Interesting. So, you also got to Kazakhstan? Was that part of your beat?*

BUTLER: I did. We didn't have a mission there at that point.

*Q: Let me just go back to Russia for a moment. Did you - were you involved much with Jeffrey Sachs and his crew?*

BUTLER: Yes. I mean, they were there, they had some World Bank money, I think, but it was really more an academic than programmatic presence at that time. They knew the reformers, and Jeff, of course, was wheeling and dealing in Washington as he is so good at. And we supported them and they worked fairly independently, but when it really mattered it was comfortable talking to Jeff or his people.

*Q: Were there other major players in sort of setting up the program in Russia that you can recall?*

BUTLER: There are two things worth mentioning. One is the fact that State Department named a Coordinator, to make sure that we were not going to embarrass anybody, and it was Richard Armitage, whom I knew from the Philippines. The program was just too large and diplomatically delicate for them not to keep watch. Rich is no shrinking violet, and he and I had many healthy shouting matches about one thing or another. A shouting match with Rich is an experience you don't forget right away, but on the other hand if you held your own it usually worked out pretty well. The larger his staff got the more of a nuisance it became; with a couple of notable exceptions, they were amateurs who didn't know how much they didn't know. But Armitage himself was a pleasure.

The good thing about Rich was that there was nobody in town that he couldn't pick up the phone and talk to. He and Colin Powell, who was then the national security advisor, were close friends. So if we ever needed anything done in the White House, it was great to have Armitage on your side. On the other hand, it meant that he'd never lose on a really major issue, unless he was prepared to. So we'd finish our latest shouting match and then he would pick up the phone and get done whatever it was we were trying to get done. But Rich and I always smiled and shook hands afterwards, and we became friends. He was fun, and he was good at what he did.

There were two ambassadors in Moscow that I particularly enjoyed. One was Bob Strauss, the long-time Democratic political operative who happened to be from Texas, as I was, and so it was a pleasure to sit and drink bourbon and talk, which was not bad.

*Q: You mean the bourbon wasn't bad?*

BUTLER: Well, and the company was great, too. I mean, Bob Strauss was just a delightful guy, with a thousand stories. And then he was succeeded by Tom Pickering, one of our most able diplomats ever. He asked me to stay in Spaso house, but I didn't get to work that closely with him. By then, we were running along, and he had bigger fish to fry.

*Q: What about Ukraine? Were you involved there?*

BUTLER: Yes. But let me go back; there's one other Moscow story which ought to be on the record here. When we were trying to staff up we never got enough OE or slots. We never had very large missions, but getting up to a dozen folks in Moscow was extraordinary. It wouldn't have happened without Bob Strauss. It was fun to watch him turn to the more traditional Embassy Counselors for this or that, and say with his folksy Texas style, well, boys, indulge me on this, but let's do so and so, which they didn't want. Once we got some AID American positions, we needed to bring in some Russians. I was there on a visit and Strauss asked me to come over to his office. We were in different buildings. I walked over, and there was the embassy security officer, red in the face and obviously agitated. The ambassador said to me, well "Fred" here is really concerned. He's worried that if you start bringing in Russians they're going to have access to all your stuff, and they'll read your files and no matter what you do you can't really secure them. They're going to send over a bunch of spies. And I said well, don't give us anything classified, and won't even lock the files. We'll leave them wide open, so the Russians can read everything we have, and they'll report back that AID is exactly what it says it is. That's the best thing that could happen to us. At this point the security guy was sputtering and trying to catch his breath, and Strauss just broke out laughing and said OK, that's the end of that discussion. And we hired Russians who could do the jobs we needed them to, spies or not, and we left our files open.

*Q: What a good story. Anything else you can recall from those heady days?*

BUTLER: Oh, man. There was another program that Carol Adelman had set up with Larry Eagleburger, a hospital partnership program. I can't remember what it was called, but they were all these state-run hospitals, and the idea was to set up partnerships between local hospitals and U.S. hospitals, and create an institutional relationship between them and fund what was basically an exchange program. It wasn't a lot of money, but the idea was that the technology transfer would happen fairly spontaneously. Carol wanted to extend the program to the NIS, and I had my doubts. Most of AID's health people are primary health and public health people, and advanced hospitals are further up the food chain than AID people were used to working with, including me.

So I was suspicious of this program, and I dragged my feet until I went out and looked at it. It was a very good program, especially in terms of bang for the buck. There was a U.S. NGO set up to coordinate the U.S. aspects of the program and the guy who ran it - his name will never leave me - was Jim Smith. He was a very politically active guy, constantly running around trying to protect his program in Washington and on the Hill. But ultimately I realized that he was really good at what he did and he knew a lot. So, there's a program that I went in disliking and came out thinking was a great idea, realizing that I had been totally wrong. Had I succeeded in killing it, which was my first instinct, it would have cost us a lot. I think I actually told Carol I was glad she was running this in Eastern Europe, because I was too busy to try to make it work in the former Soviet Union. And somebody senior, probably Eagleburger, decided that I was in fact not too busy and was damned well going to do it.

*Q: So, I'm a little confused. What was Carol's job at that point when you were dealing with the former Soviet Union?*

BUTLER: Carol ran the Eastern European program in the first year that I was doing the NIS.

*Q: And that was basically-*

BUTLER: And I came in to do the same thing for the NIS (Newly Independent States), the former Soviet Union, that Carol was doing for Eastern Europe. But I structured it entirely differently, with a field presence and AID offices.

*Q: I see.*

BUTLER: We ran parallel programs, although very different because she wanted to run hers from Washington and my condition for taking the NIS job was that we would set up overseas missions.

*Q: Right.*

BUTLER: I won that argument. Carol fought it and I won it. So, we were kind of friendly rivals or something like that, and when the administration changed, Atwood came in and

Carol left. Brian said well, we can't have both an Eastern Europe program and a former Soviet Union program; we'll put them together on the NIS model.

*Q: I see.*

BUTLER: So, he merged them but left the NIS management in place for the new bureau. And he said Malcolm, I can't make you AA, because the combined program is too high profile and too much money, and the administration will want a political appointee in that job. But it's going to take a while to get that person confirmed. Well, Tom Dine was nominated and it took him a year to be confirmed and during that time Tom - I mean, I ran the program and Tom learned about it and helped on the political side. But he was so incredibly scrupulous about not having been confirmed that he wasn't prepared to offer me an opinion or make a call or anything, which was correct. I respected him enormously because he was just a pleasure and super bright. And I also admired the fact that he made a commitment that he was not going to get involved in the program until he was confirmed, and he didn't. As it turned out he was confirmed one month, and the next month I turned 50 and could retire, and did. It was a fortunate coincidence; I knew I was going to move on in any case.

*Q: So, were you - what were you most pleased about, would you say, about your work with the NIS program?*

BUTLER: Well, one, despite all the graft and corruption that still continues in Russia, and certainly was rampant when we were running the program, we had no major embarrassments. We aimed low - instead of privatizing the airline or the mines or the gas company we privatized apartment buildings and bakeries and bus lines. It was a conscious decision to stay below the temptation of serious corruption by working at the municipal state enterprise level. And to my knowledge there was never - and we had inspectors general and Congress climbing all over us - they never found any major corruption in the AID program. None of the billionaires got rich on AID money to my knowledge, at least not while I was there. So, that's one thing I feel good about.

The other is that, like I said, I'm a Foreign Service officer, I believe AID's magic is its field missions, and we were able to set up a mission-oriented program in the former Soviet Union. It's still that way, and most of the Eastern European programs have shifted over to missions and AID reps. They put those Eastern Europe programs in with the NIS, and the model was contagious.

*Q: Right, right. No, that's extraordinary. That really is extraordinary.*

*Anything on the negative side that you sort of wish could have happened but didn't?*

BUTLER: Well, I spent a whole lot of not so pleasant time arguing Washington bureaucratics. It was my job, and I was fairly good at it, but that's the part that I least enjoyed, and it was almost overwhelming sometimes. So, there's a negative.

I guess another negative is that we weren't able to sufficiently empower the champions of reform in Russia. I mean, we empowered them but they, for reasons that had more to do with Russian politics than AID programs, weren't able to change things as dramatically as we were able to do in the Philippines, for example, where we really did, over time, make very important changes to the nature of the government.

So, I don't know, is that what your question was?

*Q: Yes. I think that's great. I mean, anything- that seems to fit. And when you retired, who took over the- you said Tom Dine?*

BUTLER: Tom Dine.

*Q: Okay. And he was a political appointee. Who was the mission director in Russia at that point?*

BUTLER: I think it was Jim Norris, who I talked into taking that risk. He did well. Or maybe it was Janet Ballantyne by then.

I did the NIS for a two and a half years, and it was tiring. Then I turned 50 and I decided that if I was going to ever do anything else it was a good time. And somebody said put your hat in for an ambassadorship; you'd be perfect for some place in Latin America. And I said I don't think I want to do that. I wasn't offered an ambassadorship; that never happened. But senior people in State and AID encouraged that and offered to help. I honestly didn't want to. I wanted to do something different, and I also remember consciously thinking if I'm going to work overseas, I've already had the best job in the world four times. AID mission director is more satisfying to me than ambassador. The truth is – and this was another important part of it – I saw, time after time, that when things really got interesting and hot, Washington would take the action away from the embassy. Not formally take it away, but as long as things were puttering along the ambassador had the run of things. But if things got hot the ambassador suddenly had a whole lot of bosses. That never happened in AID, because AID has to happen on the ground. I was kind of stubborn, but I always felt like I had more room to run, more area to be creative than any other job that I saw anybody else doing overseas. And so I retired. And I had other stuff I wanted to do.

*Q: Well, this has been - we're not done. If you've got a few more minutes I'd like to talk a little bit about what you did after you retired from AID. You've sort of summarized what you thought about your Foreign Service career and how much you enjoyed it. On that front, as you think back, are there any things you kind of wish you would have done differently along the way in terms of the AID side of it?*

BUTLER: Well, I'm sure there are a number of tweaks that I would like to have done. But not at the macro level. I got along well with my ambassadors, I got along well with my administrators. I either had or was able to create really excellent staffs. By the end of my year as acting AA for LAC, every office director in the bureau was a former mission

director. Some of that was in place, but I focused on it. That just doesn't happen anymore.

And it's too bad. I think AID ought to be run by people who have had their fingernails dirty.

*Q: Right.*

BUTLER: And that's not an answer to the question you asked me, which was what would I have done differently. You know, I think I had a good balance between Washington and the field. I enjoyed the Washington work that I did, most of it. I guess somehow if I could have spent another tour - if I'd come out more like 60/40 between the field and Washington instead of 50/50, which I think is what it was, that would have been better for me. It would have been good to do Costa Rica or South Africa. But I usually had the choice, and the alternatives were pretty exciting.

*Q: Right. Yes.*

BUTLER: Well, kind of. When Peter called me about Lebanon I didn't have a chance to say no, and it didn't turn out so well, but -

What else? I wish I had - I had a personal rule that I was not going to go anyplace without the language, and I didn't have the language in Lebanon, I didn't have the language in the former Soviet Union. And I didn't have the language in the Philippines, but in that case, there were 17 languages, whatever, and Tagalog wouldn't have done me any good when I was in Cebu or Mindanao.

*Q: Well, let me ask you a question that's a little more positive. You talked about being able to work well with a series of ambassadors and senior officials. Not everybody can do that. What qualities does one need to be able to - what skills does one need to be able to do that?*

BUTLER: You know, I think you're right. I'm not blowing my own horn; I'm just noticing as I went through that career it's true that not everybody can do it, including some people that I just had enormous respect for, and people who were so much better at some things than I was. But I think that had a lot to do with the fact that I enjoyed things so much and also was fairly successful at it. I think one of the most important abilities or qualities you can have is to be able to put yourself on the other side of the table or in the other guy's shoes. I mean, when you went to a difficult meeting with an ambassador or a minister or whatever, what you really ought to have thought through is what it looks like from the other guy's side of the table.

When he looks at you what does he see? When he looks at the issues that we're going to discuss, how does he see them? What is success to him? I think I'm reasonably good at that, and that helped me with ambassadors, it helped me with ministers, and it helped me with assistant secretaries. And AID Administrators, by the way. And I don't - there's no

way that I can really compare my ability along those lines with other people, because I'm not inside them and I didn't really see them operate that much. But I think that's an important quality. The most important thing going into a meeting is not your talking points; it's the other person's talking points. What does the other guy want, and how can you present what you want out in terms of what the other guy wants? He wants to have full control of these agricultural research stations, and I want him to get more autonomy, focus more on results, and get rid of some weak people. So, what I have to do is say the best way for you to control this agricultural research station is to put the best people you can get in the jobs, give them the room that they need to make the right decisions, and then watch them like a hawk.

Actually that's not a very good example. But it's kind of like presenting your objectives in terms of their objectives. And I think that's probably - I bet somebody's written a book about that from the point of view of negotiations. But I think it's particularly important to AID because we sit there with all the money and it's hard for us to keep in mind that the other guy's got a really, really valuable and perfectly valid point of view.

*Q: That's very, very interesting.*

*Do you have any tips on how you sort of mentored your more junior staff?*

BUTLER: Well, I always felt like they mentored me. I mean, first thing is to make sure that you've got the very best you can get, and that they know more than you about their responsibilities. Give them a very firm picture of the objectives and the framework, and then give them a lot of room to work. And when there's a problem start the conversation by saying well now, here's a problem, how are we going to solve it? That's how I tried to deal with people that I worked with. First, have them smarter than I am in many ways, and secondly, be both firm and loose in management. And mentoring, well, the best way to give a message to anybody under any circumstances is to have modeled whatever behavior you want them to have. Watching somebody else do something successfully is far more effective than having someone say here's what you've got to do.

I always tried to do that, although I caught myself not doing it fairly often; sometimes you just have to say "do it!" Some people told me that they felt that was the case. Others felt like I was too loose as a manager. I tried to talk about this with staff a lot. But I couldn't kid anybody. I didn't have a PhD in public health or even economics, which is the area that I know best. So, you're not going to keep anybody fooled for very long.

Mentoring is behaving. How's that for a tag line? I like that.

*Q: That's a good line.*

*Malcolm, let's move ahead. When you retired after what must have been a wonderful party, did you - you decided you were going to have a second career. Did you know immediately what that was going to be?*

BUTLER: I knew what the first step was going to be. I had been active with Outward Bound for a number of years, as an instructor, advisor, and board member. I've always loved the outdoors, I've always loved backpacking and camping and kayaking and climbing and whatever else was available, and that led me to become involved with Outward Bound. I believed in the objectives and the methods of Outward Bound, which basically says that the outdoors is the best teaching mechanism that exists; we're all capable of far more than we realize and the way you learn about that is to test yourself in the outdoors. It's something that I have always believed, since I was a Boy Scout. And so, when I left AID I became program director of the North Carolina Outward Bound School

They had a serious management challenge. At the time the school operated in 23 locations, and as a board member I knew that, and I was always sounding off about how we had to make management more coherent and blah, blah, blah, and learn from one another and everything else. We also had to leave proud and capable people the room they needed. So, they said okay, a smart guy, come over and do it. So, that was what I knew I was going to do when I left AID. I committed to a year, at least, but didn't know what I was going to do beyond that.

*Q: Did you move to North Carolina?*

BUTLER: Yes. I lived in Morganton, North Carolina for a year. And during that same year Tish and I adopted our two kids from Nicaragua. So, that was a big year of transition.

*Q: And so, it was North Carolina-focused totally at that point.*

BUTLER: Well, at that time there were five Outward Bound schools in the United States, and the North Carolina school had the reputation of being closest to the spirit of Outward Bound, so that drew me to it. Also, when I was in the Philippines before I did the NIS, while I was still mission director in the Philippines, I was approached by a headhunter who was looking for a new national president of Outward Bound. I threw my hat in the ring and ended up number two among the candidates. I don't know what I would have done had I been offered the job – probably would have taken it, pre-retirement. Good thing I was #2, because either I would have had to say no to Outward Bound, which I wouldn't have liked, or I would have left USAID and not had all the other rich experiences I had as a result of finishing a career at AID. So, anyhow, post-retirement, the Outward Bound thing was a very easy move for me. I loved it, and loved the outdoors. But I also found that even with the management challenges, I needed more than carabiners and climbing ropes to stay fully engaged. I didn't realize it was going to be that way, but I just needed more intellectual content than what I was doing.

And of Tish had taken LWOP for our adoption, and she was even further afield from her career.

*Q: And so, you started looking around?*

BUTLER: Well, let's see, after a year I left, and when I got back I talked to some people - I've always been so lucky with the people I've been around. A guy named Najeeb Halaby was at that time chairman of the board of Save the Children. He was former president of Pan American Airlines, the father of Queen Noor of Jordan, a lot of other things. Just a fabulous guy, and we hit it off personally. I can't remember how we got to know one another, but we had been friends. Oh, I know. He was on the board of AUB (American University of Beirut) and I met him in Beirut. But anyhow, he was one of the people that I called, and he immediately said how would you like to come to work for the board of Save the Children for five or six months. I said work for the board or work for Save the Children? He said work for the board, work for me as chairman. Save the Children has a number of programs operating in the United States, but we don't know what works, we don't know what's good. We want to beef up the program in the United States, but we don't know which of our products to run with, and I want you to figure that out. So, I did it, and it was another thing that was a lot of fun. It was the first thing I did after Outward Bound.

*Q: Where were you located when you did that?*

BUTLER: Jeeb lived here in Washington, but Save was in Connecticut.

*Q: I see.*

BUTLER: Charlie McCormack was the president of Save the Children at that time and I think he initially viewed me with a bit of a skeptical eye, because if you're the CEO of a big organization and the chairman of the board says I want to hire this guy to look at what you're doing, it just - Anyhow, we got along well, and I think I did reasonably good work for Save, although they didn't follow all my recommendations.

*Q: And then?*

BUTLER: Well, you want me to keep going?

*Q: Yes.*

BUTLER: From there I became president of Partners of the Americas.

*Q: Now, that one I remember.*

BUTLER: And I did that for five years.

*Q: And you replaced Bill Reese.*

BUTLER: And the program when I started- when I went there the program was three or four million dollars and in five years I got it up to about 21 or 22 million.

*Q: Oh, wow.*

BUTLER: Including a number of AID grants, I've got to say, mainly in the democracy and governance area because it was easy for Partners to do, with its network throughout Latin America. And we got pretty good at that work. But after five years I realized I was getting stale. I'd done everything that I wanted to do there, and was beginning to feel a little cranky with some of the board members, I don't know. So, I decided that it was time for me to move on. I gave them plenty of notice, and I took a couple of months off to be with our kids, took the summer off. Tish was working with AID again, and we had an au pair, but I had a ball with Martin and Tony, who were like five and six.

I was touching base around, and ran into Neal Keny-Guyer, the president of Mercy Corps, who had been with Save in Lebanon when I was director there. We had cowered in stairwells together when the shells were coming in, and we had stayed friends through it all and after. He called me up and he said we're considering several acquisitions; we want to take over some programs. I want you to go look them over and help me negotiate whatever agreements we do. And I said that sounds like fun. And again, he ended up not following all my recommendations but I think he was happy with my work. We acquired Pax World Services, which was funded by Pax World Funds. He asked me to be president through the transition, and I had to re-cast the relationship with the Funds.. That's how I started learning about Wall Street and various types of investment funds. I did all that for about a year.

Oh. Between the Save consultancy and Partners I started a small consulting company. Working with Najeeb and his board, I got to meet some corporate types. One of the board members was a CEO of a minerals company. He called me up and said you know, I bet you can put together a group of people who can advise me on a major transaction that one of my companies is considering. And I said well, I don't know. He said yes, you can; you know people who know about the international sphere, and you know how to talk to a board. This was Business X in Country Y - this was all non-disclosure so I can't name them. But he said I want you, on a very discreet basis, to bring in some people who can sit with the board and tell us the sort of questions we should be thinking about. I said wait a minute, this is what you should be doing with management. And he said yes, but we want some second opinions, we want a broader view. So, I brought in a few people who had been at State and other agencies who knew something about Country X and Business Y, and we put on a seminar for the board.

So, here I was talking to another board, another dozen people, all whom had their own companies. A couple of them called me later and said, can you help me figure this thing out, do you know somebody who could help me do this other. Every board was another handful of potential clients. I also started helping smaller companies find their way around Washington – State, Commerce, OPIC, the World Bank. Well, that became Malcolm Butler Global Associates. It was pretty intense for a couple of years but then it was just sort of more like when people called. I kept the company going through my Mercy Corps and my Partners of the Americas work, a small percentage of my time, by

agreement. It worked out well, because those boards are used to paying people above Washington scale, and was able to set aside some money.

And anyhow, the reason that that's important is because one of those clients called and said you know, I'm about to have my ship come in. I have some intellectual property that I've been working on for a long time, and I'm about to sell it for more money than I ever thought I'd have in my life. I didn't know it at the time, but he was talking about over $100 million. He said he wanted to set up a foundation. He'd been a Peace Corps volunteer in Honduras, and he wanted to bring literacy through the internet and through libraries with physical books to folks out at the end of the road. He had set up a number of these libraries. He wanted rural libraries with internet access throughout Central America and was willing to put a lot of money into it, and he wanted me to help take it to scale. He had a small staff of other ex-Peace Corps volunteers and local employees. He said I've done proof of concept, this is going to work, I'm going to put a lot more into it, and I want you to help me do it. His model was Andrew Carnegie, and the idea became the Riecken Foundation. I was president for two years.

*Q; How do you spell the name of the foundation?*

BUTLER: R-I-E-C-K-E-N.

*Q: Thank you.*

BUTLER: Riecken was the maiden name of his wife.

*Q: I see.*

BUTLER: His funding collapsed with the crash of 2008. He was over-extended, like so many other companies, and he had to stop new investments. But there are still 50 or 60 libraries out there, operating on small donations and community support. That local support is the real test. I did learn a lot about the private equity business trying to help him keep his company afloat.

I also did some other work along the way, in Guatemala, where Tish was deputy director. I did post-conflict work for the IDB, legal reform for ARD, investment prospecting for Price Waterhouse Coopers, a major evaluation in Russia for AID - there may have been some other things.

But then when I left the Riecken Foundation I figured out that I didn't have to work as hard, and I could spend some time with the boys and be on some other local and corporate boards. And that's what I've been doing for the last couple of years.

*Q: Well, that's a variety, an interesting variety of things that you've done after you retired.*

BUTLER: Looks like after I left AID I couldn't keep a job.

*Q: I'm sure. I'm sure. Well, let's see. I think we've sort of summarized a couple of times. I think at this point I'm going to close this interview, Malcolm, and then when you get the draft you can add more things if you'd like, just type them up and add them to the transcript and then it will be there. So, you're not being cut off from other ideas and other things that you will recall.*

BUTLER: Well, I would like, at some point, if you have any more time, to talk about is what it's like to be a tandem couple.

*Q: Hello. This is John Pielemeier on the 5th of December. A third conversation with Malcolm Butler.*

*And Malcolm, we've concluded going through your history of your work with AID and beyond, but I know you had some things you wanted to talk about in terms of tandem couples, and maybe some summary comments you want to make. So, I'll turn this over to you.*

BUTLER: Okay, let's do start with the tandem couple. I think I mentioned that a couple of my assignments were either complicated or facilitated by the fact that my wife was also an AID Foreign Service officer. And I guess the main point that I want to make is that a tandem couple - maybe they have different term now - is a tremendous bargain for USAID, financially and substantively. I mean, if you look at it in strictly financial terms, you save in travel and housing, education, all those allowances, but that's smallest part of it. More important is that the couple reinforces one another intellectually, sort of like having an in-house think tank. I know being able to bounce big issues off Tish was very helpful to me. And I say big issues because we were always very careful not to deal with small issues, like, stuff that had to do with items crossing my desk or items crossing her desk or issues that she had on this or that program, because that would not have been good for the mission. We really had to think very carefully about things like that. There were many times when either Tish or I would say something like well, let's not get into that; you can sort that out at the office or I'll sort that out at the office or something.

On the other hand, when you think and talk about - how do you think the economic team of the host government is shaping up, or what could the Asian Development Bank do in this situation. Or so you had a chat last week with the ministry of finance; what did they say about this or that. I think there's both a benefit there and a danger, which is that you end up talking about intra-mission issues, and you just can't go there. You have to consciously discipline yourself not to get into that sort of stuff because it can poison the environment in the mission if people think that sort of thing is going on. I'm proud to say that to my knowledge nobody ever complained about that sort of a problem with us. We really kept our distance on those sorts of issues. It never came to my attention that people were uncomfortable with the fact that both of us would work in the mission. It helped that we were 10 years apart, and so it wasn't like I was going to be her supervisor or anything like that. I just think it's tremendous for the employees, and a tremendous opportunity for AID. And today it must be a good recruiting feature.

For a while it was difficult, when we first started and the Agency thought this isn't such a bad idea but we're not going to give anybody a break because of a tandem situation. People may have to serve apart. And Tish and I were certainly prepared to do that. Tish took six months off when we went to Peru because there wasn't an opportunity for her. One problem with South Africa for me was there was no position for Tish, but if had worked otherwise we would have gone. Washington had to approve assignments like that, and Washington was appropriately rigorous in making sure that there weren't favors done. Now I hear the system is more accommodating.

I think a tandem couple has to be extremely careful and disciplined, - I'm very happy that the Agency seems to be encouraging it. I don't know; maybe that's too strong - certainly they're not getting in the way of it. The best kind of arrangement for us was when - like when in the Philippines when I was working at the AID mission, and Tish was working at the Asian Development Bank. Of course there was no issue at all of intra-mission issues coming up. But we did work together in the same mission in Bolivia, Peru and Lebanon. We tried awfully hard, and to my knowledge successfully, to avoid the sort of traps that you could fall into.

So, I just want to make sure that I register that I think it was a very good arrangement for us, of course, and for, I think, the Agency.

*Q: Right.*

BUTLER: That's mainly the thing that I wanted to make sure that I summarized. Well, beyond that, John, I'm not sure where to start with any sort of, as you put it, overall comments.

John, I wouldn't want to close out this interview without saying that I'm extraordinarily grateful to USAID for a thoroughly rewarding, and thoroughly satisfying, and thoroughly enjoyable series of assignments, both in Washington and overseas. It was a fabulous career. I can't imagine anything that I would have enjoyed more. I did have some other options mid-career, in banking and otherwise, and I'm glad I didn't take them. I guess that was the final comment that I wanted to make.

*Q: Well, thank you Malcolm.*

*End of interview*