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BRADSHAW LANGMAID

*Interviewed by W. Haven North
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Administrator Peter McPherson
 agricultural program
 agricultural research
 Agriculture and rural development
 AID's management reform program
 American schools and Hospitals program
 Aswan Dam
 Ataturk
 Bangladesh
 base rights
 binational centers
 budget support
 Burma
 cash transfer
 CENTO
 Child Survival Task Force and HIV/AIDS

CIPs
Club du Sahel
conditions preceding
contraceptive distribution
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DAC chairman
decentralization
democratically elected village structure
development economics
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Egypt
exchange rate reform
Far East Bureau
fertilizer
five year plans
girls school
Greece
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health program
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Vietnam
vocational education

water and waste water treatment
West Bank
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INTERVIEW

Q: Today is July 14, 1998 and the interview is with Bradshaw Langmaid who served in AID for how many years?

LANGMAID: About 31 years.

Q: Give us a quick overview of your assignments.

LANGMAID: With one minor exception, all of my assignments were in Washington. Two-thirds of my time was spent in the Near East Bureau. The last 14 years was as Deputy Assistant Administrator in the Near East and S&T [Science and Technology] Bureaus.

Q: And you retired when?

LANGMAID: In 1993.

Early years and education

Q: Let's go back to your early years. Where did you grow up and go to school?

LANGMAID: I was born in Salem, Massachusetts and spent my first 21 years in Marblehead, a town next door. I went to a small prep school in New Hampshire called Holiness School and then to Harvard College. I graduated from Harvard in 1958. I spent three years in the Air Force as a weapons controller and intelligence officer, one year in Alaska at a remote radar squadron, and two years at an air division command headquarters in Marquette, Michigan. I left the Air Force in 1961 and went to the Fletcher School of Law and Diplomacy. I received my MA in 1962 and an MALD in 1963.

Q: What year did you join?

LANGMAID: I joined AID as a Presidential Management intern in the summer of 1962. I spent two months at AID during the summer and then took a leave of absence to go back to school for my second year at Fletcher. So I joined in 1962 but my actual full-time work began in the summer of 1963.

As far as a career in foreign affairs, I lost interest. I went to Harvard knowing I wanted to major in development policy and fully expecting to go to graduate school.

Q: Did they have a program on development?

LANGMAID: Yes. One of the courses offered in the United States in development economics was at Harvard in my sophomore year.

Q: Who were your teachers?

LANGMAID: Ed Mason was one of the professors and Sam Huntington was another. This was the period of the Indian five year plan. Everyone thought the Indians had found the "magic bullet" and were traveling to India to write papers on the Indian experience. Then they were experts and started courses. By the time I left Harvard, both the economics and political science departments had several course offerings in development.

Q: Was there any particular orientation or philosophy that they were teaching?

LANGMAID: No, I think it was sufficiently new to all of them that they were using their established training. They took a public administration slant or an economic slant or public policy slant depending on their field. It was amazing how all of a sudden each of the social science departments would have either a full course or a section that dealt with development.

Q: Did you major in it?

LANGMAID: No, I majored in international relations. It was a foreign policy orientation. It is what is called poli sci these days. I took a little bit of economics, but not much.

Q: At Tufts, what was your major?

LANGMAID: It was almost all economics. The principal professors in development economics were Charlie Kindelberger and Don Humphrey. One of the advantages of going to Fletcher over Harvard was that it had a practical orientation and you could take any courses you wanted at Harvard. So, for my master's thesis, I took the Ed Mason graduate seminar at Harvard.

Q: What did you write on?

LANGMAID: My thesis paper was on customs union theory applied to Southeast Asia.

Q: Was there anything relevant to your career that happened while you were in the Air Force?

LANGMAID: Nothing that was particularly relevant to development economics. Alaska was a primitive country in those days, but I was so far out in the boondocks that I didn't see much more than ice and snow for a year. When I went to Michigan, I didn't see much

more than ice and snow for a year either, but it was a little more civilized.

Q: Then you went to Tufts and right into AID. How did you learn about AID?

**Joined USAID as a management intern 1962 - and assignment with
Development Planning, Far East Bureau**

LANGMAID: I had had courses that dealt with ICA, MSA, etc. since college days. Kindelberger and Humphrey had worked in the Marshall Plan. Foreign assistance and post war economic recovery were part of all my courses.

Q: President Kennedy was in the White House and launched the program.

LANGMAID: That's right, in 1961 and I came in in the summer of 1962.

Q: So, what did you do when you joined AID?

LANGMAID: I came in as a management intern, which was a very nice program. You had three two month rotational assignments during your orientation period and then you went on to a training assignment for another year. You had to serve a two year probationary period. My first assignment was in the Far East Bureau. I couldn't have asked for a better first orientation. The head of the bureau was a guy named Seymour Janow, a political appointee who was never there Jim Fowler was the Deputy Assistant Administrator, who was almost never there. Bill Ellis was my boss. He was Acting Assistant Administrator most of the time. Bob Smith was DP Director, my immediate boss, and then Curt Farrar took his place. In DP, we had four economists, two senior and two junior. I was one of the junior ones. We also had a political scientist, Princeton Lyman, and the Agency's first direct hire cultural anthropologist.

Q: What did the Far East cover at that time?

LANGMAID: All of the Far East as far west as the Burma-Bangladesh border. The major assistance countries were Indonesia, Korea, the Philippines, Taiwan, Laos, Cambodia, Vietnam, and a small program in Burma and Thailand. There were two teams of economists, one junior and one senior each. One team took the island countries and the other team took the mainland countries. I was on the mainland team.

Q: Did you have a particular area that you focused on?

LANGMAID: I was doing whatever my boss wanted me to do. The senior economist had a bunch of countries. One day I would work on Vietnam or Burma and the next day on Korea. I was doing "grunt work" for the senior economist. The most fun was going to Korea for about eight weeks on the Korean exchange rate reform. Korea had one of the teams in AID at the time. This was during the early planning stages of a major economic reform. I was sent out to run one of those old fashioned Frieden calculators for Irving Kravis, who was doing the basic analysis for the reform. He needed someone to grind out

the numbers. Dave Cole was my AID boss, another of AID's really outstanding officers.

Q: Did you work with the Koreans on that?

LANGMAID: Yes, to a degree. This was back when the two gap macro analysis was popular.

Q: What was the two gap theory?

LANGMAID: One analyzed the savings-investment gap and the balance of payments gap and the exchange rate needed to achieve equilibrium. It was a way of looking at the macro variables and the level of assistance or economic performance to achieve economic growth. The Korean Ministry of Planning was next door. If you weren't careful, you would walk into the Korean planning office. Yes, there were guards in between, but basically we went back and forth all the time. I was fortunate to go with Dave Cole for a presentation on the various projections we were doing. I sat in on their economic cabinet meeting as Dave presented the findings. This was an exciting time for me.

Q: How did you find the Koreans to work with?

LANGMAID: It was wonderful to work with them. The Koreans are the Irish of the Orient. They are open, enthusiastic, and very excitable. Americans came pretty close to "walking on water" in those days. Dave Cole had served in Korea during the UNRRA days at the end of World War II and returned to Korea after the war in the reconstruction period and then came back again with AID. He loved Korea and spent his free moments traveling around the countryside. He sometimes took me with him, which was wonderful.

Q: What was the situation in those days?

LANGMAID: The country was devastated. The per capita GNP was \$64. The major export of the Koreans was cuttle fish. I didn't even know what they were until I did the exchange rate study. Trees had to be replanted everywhere. Many of the Korean laborers made money from scrap metal. You would see people riding around on their bikes with flattened beer and soda cans which they melted down and made into things. They also had a brass and copper industry from shell casings. The country imported large amounts of PL 480 because there was not enough food.

The landscape outside of Seoul was almost barren. They had had a major tree reforestation program to cover the devastation, but the trees were only three feet high. You would look toward the hillside and see a perfect line of trees where they had been planted in a very symmetrical order going up the side. I have not spent much time in Africa or India, so I can't compare Korea to those areas but it was very poor. However, the priority they put on education was remarkable. All their kids went to school. Korea had terrible roads and American car tires didn't last very long. After the second or third flat, Dave and I had to stop somewhere and get the tire repaired. Every little village had a

guy who could put on a patch. You would sit around drinking tea with a local family while your tire was being repaired. All they wanted to talk about was what their kids were doing in school.

Q: Did they speak English?

LANGMAID: They might speak a little bit of broken English, but Dave spoke Korean. Their children was the principal area of conversation. They had a tremendous commitment to making sure that their kids were educated. Frankly, I have not found that level of grass roots commitment to education in any other country in which I have worked.

Q: Why do you think this is so?

LANGMAID: I don't know. I did not have any prior expertise on Korea. This focus is common in oriental cultures.

Q: What happened to the exchange rate reform project?

LANGMAID: They floated their exchange rate, exports boomed, and Korea now has a \$5,000 per capita GNP. It worked very well. Korea was one of the early examples of what happens when you get prices right. Obviously, there were huge amounts of foreign assistance going in and military aid as budget support. There were large amounts of counterpart funds which were invested in public consumption. This needed to go into savings and sound investments. There were many things that went into the Korean success story in addition to exchange rate reform, but the Koreans took the tough decisions to get their economy in order.

Q: Do you recall any of the other parts of the program at that time?

LANGMAID: Many worked on the economic analysis of some major power plants and fertilizer plants, and some economic stabilization in Laos and Vietnam.

Q: You had a political analyst?

LANGMAID: Oh, yes. We had four economists, a full time professional cultural anthropologist, and a full time political analyst, Princeton Lyman. He eventually went to Korea as the political-military advisor.

Q: That's unusual, isn't it?

LANGMAID: I don't know in terms of the other DP offices. Probably. But having a full time cultural anthropologist was unusual. He was an academic, not someone from AID. He was only with AID for three or four years. He worked on political and military issues in Korea primarily. The program officer was Ray Hawkins and then Garnet Zimmerly. There were two analysts, Henry Jaffey and Chic Monsano. It was really an interesting

group of folks.

Q: Yes, a very talented group.

LANGMAID: Yes, very talented, very personable. I couldn't have asked for a nicer environment of people and work.

Q: You were in DP for how long?

LANGMAID: Three years.

Q: You didn't rotate around?

LANGMAID: When I was an intern, I did. I had a period in the budget office of PPC working for Bart Harvey. I had a period in the loan office in the Near East-South Asia Bureau and a period in my home office, FE/DP. Those were my three rotational assignments.

Then Bob Smith left and Saul Silver became the DP director. He made it clear he did not value economists and within six months the office was gone. I left to become the regional economist in an office that was called Greece, Turkey, Iran, Cyprus, and CENTO (GTICC) in the Near East-South Asia (NESAs) Bureau.

Q: Before we go on to that, was there anything else you would like to say about your DP experience?

LANGMAID: The high part for me was working in Korea. There was another incident which indicated how silly things happen. This was the period when President Johnson was going to announce a major initiative for Southeast Asia. It was called An Expanded Program for Southeast Asia. In a speech at Johns Hopkins, he announced this program. The objective was to provide an alternative to war for the people of Vietnam to make their economy grow. We were asked to contribute to this speech three or four days before it was to be delivered. In particular, we were asked to compute how much assistance was required to generate the kind of economic growth the policy makers thought would support peace. On our way to lunch one day, the four economists figured out what we would use for the capital output ratios and the marginal savings rates. We did some quick calculations and those were the numbers that were in the speech. This is probably as sophisticated as the "analysis" used to develop the Middle East peace package years later.

Q: Did the program go anywhere?

LANGMAID: The President made the announcement, but it was at a very general level and required all the other countries in the area to contribute their share, etc. But in terms of translating a political initiative into an actual assistance program, it went nowhere. The war had other things driving it than just the aspirations for a better economy.

Q: What was the situation in Vietnam at this time?

LANGMAID: The fighting was building up and most of the work on the assistance needed to counter the inflationary effects of the war effort. It was not developmental. I did little work on Vietnam. I tended to spend more time on Korea and the island countries.

Q: Were there any special projects for those countries?

LANGMAID: I did a little bit of project economic analysis for a major loan proposal for Korea to build two oil refineries and associated fertilizer plants. That was my first introduction to individual project analysis work. The loan was approved and the refineries were built. It was one of the few times that AID invested in an oil refinery.

Q: Let's go to your next assignment. What was the area called that you covered?

Regional Economist for the Near East Bureau - 1965

LANGMAID: The area was Greece, Turkey, Iran, Cyprus, and CENTO. This would have been in 1965. It was one of the geographic dictatorships in the Near East-South Asia Bureau. I did not have Middle East expertise. A good friend was leaving the office so I knew there might be a job. I decided I did not want to work in an area in which everyone else was working. I went to the Foreign Service library one day and looked up various countries. I looked up Turkey and there was virtually nothing on the economics of Turkey in the library. There were travelogues, people traveling around Turkey and describing what they had seen from an economic perspective, but there was not serious analytical work. I thought that sounded like a good place to work. So, when the job became vacant I was first in line. The desk officer at the time was a wonderful lady named Ruth Fitzmorris, and the Office Director was one of AID's greats, Joe Wheeler. He hired me and immediately left to be Mission Director in Jordan so I did not really work for Joe until later.

Q: What was the situation in Turkey at that time?

LANGMAID: A little better than Korea, but not an awfully lot better. A major difference was the Turks had been sold by a Scandinavian economist, Jan Tinbergen, on five year plans and a vision of state directed heavy industrialization. Their George Washington, Kemal Ataturk, believed Turkey was western, which meant industrialization. If you want to be part of Europe, you have to have an industrial base. State Economic Enterprises, all government owned and grossly inefficient were the focus of their plan. The economy was saddled with this huge infrastructure of old, badly managed, badly run, heavy industry. Our goal was to get them back to a market economy.

I was incredibly fortunate. The Mission Director in Turkey at that time was Jim Grant. I can't think of a better person to learn from. Jim believed the desk was part of his mission in staff. We had trust funds for travel and I spent a good deal of time in Turkey or in the

air.

I spent two years as the Regional Economist for GTICC. From 1967-1969, I was the Turkey desk officer and in 1970 I became the office director first for GTICC. Later, Jordan and the Middle East part were added and the Office became Near East. NESAs were realigned and one office director for the Near East, which was me, and one office director for South Asia, who was Herb Reece. Then, when the East/West Pakistan fight erupted, the AA concluded it really wasn't appropriate for one office director to deal both with Bangladesh and Pakistan. There were too many conflicts in that situation. So, my area got increased to include Afghanistan and Pakistan. Herb Reece kept India, Nepal, Sri Lanka, and Bangladesh.

Q: You had a lot to cover.

LANGMAID: It was about the size of Hannibal's empire. At some point in here, we picked up Morocco, Tunisia, and any other residual area in North Africa. Then some things in Europe started moving. There was an earthquake in northern Italy and someone had to pick up that. There was some Security Supporting Assistance in Spain, some in Portugal, and then some work in Poland.

Q: Was Egypt part of your office?

LANGMAID: No, the big program for Egypt came later. I only had responsibility for Egypt when I came back later as the DAA for the bureau, but never as a desk officer.

USAID program in Turkey - 1960s

Q: Let's finish up on Turkey. What was the program?

LANGMAID: The program was \$120 million in development assistance. About \$40 million in program aid, balance of payment assistance, and \$60-80 million in project aid and technical assistance. We also had PL 480 Title I and II. We built the largest dam in the world at that time in Keban and financed a steel mill, and a copper smelting and power plants. Much was classic old line heavy industry infrastructure. There was around \$20 million in technical assistance. It was a big program, although it was modest compared to Pakistan and India. The program had an OECD consortium and was large enough to keep the Turks' attention. But there was so much attention on Southeast Asia I could do my own thing without being bothered by a lot of folks. In congressional testimony, Turkey was sort of a secondary consideration with all the questioning going to India and Pakistan. So, with a Mission Director like Jim Grant, who never slept and considered the desk an extension of his mission, it was an exciting and fun job. I once went to Turkey three different times in a month.

Q: What were some of the main features of the program?

LANGMAID: We had large budget support balance of payments component, so you had a major policy dialogue role. Again, it was mainly focused on market economy issues and

exchange rate reform. There was a large TA [technical assistance] program. The miracle wheat variety, Mexipac, was introduced in Turkey and was one of the places where it really took off. We had a major agricultural program. We built and supported several universities, Middle East Technical University, Hacettepe University, Erzurum University, and Robert College, one of the American schools abroad projects in Istanbul. We spent a lot of money on trying to get the Turks to do something with the state economic enterprises. There was a large Bob Nathan team and a large public administration program. I would say the mission staff was around 85-100. I think there were seven or eight economists full-time working on the staff. Lloyd Jonnes was the program officer for most of the time I was there. In health, there was a large population program which is still going although on a much smaller scale today. We didn't do much in primary and secondary education, mostly university at that time. In the capital projects area, we had power plants, roads, cement plants, agricultural equipment, and irrigation projects to mention only a few. We had a very large participant training program. When I left in the early 1970s, AID had trained 5,000 Turks.

Turkey also had an OECD consortium supporting its development. The DAC chairman, who was always an American, was the chair. The Greek one had ended, but the Turkish one was still very, very active. In addition to AID, Turkey needed debt relief. The Turks seemed to operate on five year cycles. They would get their prices right and the economy moving and then the politicians couldn't hold back the spending and the economy would go downhill. There would be a debt rescheduling and the cycle would start over again. If you look at the history from the 1960s, this is what happens. So, every five years we were dealing with major debt rescheduling and difficult IMF negotiations.

I worked throughout this period with an absolutely delightful colleague at the IMF called Ernie Styrl. Ernie had dealt with Turkish affairs early in his career and was now the Director of the Balance of Payments Department of the IMF. He had much wider and large responsibilities, but because of the relationship he established with the Turkish planners, the IMF let him keep Turkey as a country responsibility. He was the person dealing with economic reform and debt rescheduling. We had a really nice working relationship.

The AID program image at that time was one of capital projects. We had a large capital projects staff of very qualified people. It appeared as if a whole team had come in from Morgan Guaranty and some of the other New York banks. They were very sharp. On the project side, they knew their business. Because Jim Grant did not have that background, Rod Wagner, the Deputy Director of the Capital Projects Office, was sent out as the Deputy Mission Director to oversee the project portfolio. The expectation was the program would have \$60-70 million in large capital projects per year. There was a never ending need for this kind of activity and given our military relationship with Turkey, the Congress was probably going to provide the money. I and others were convinced that capital projects were not the answer until the exchange controls were lifted and prices were market driven.

It was during this period that the program began to shift to policy dialogue. We became

much more critical of where we put the capital projects' money. The IMF and the World Bank got much more actively involved and exchange reform became the principal focus of our policy discussions. With the shift into policy issues, Jim Grant developed a framework for our program called the Assistance Completion Plan. It forecast to the Turks our expectation that if they got their policies right we should be able to complete assistance by 1973. In fact, the Turks had forecast this goal themselves in their five year plan. They stated it as independence from the need for concessional assistance.

Q: Did you have much political pressure from the Department of State in trying to influence your role?

LANGMAID: No. Turkey was a back water for NEA. It wasn't unimportant. There was a large military assistance program during that period. But, South Asia was of greater interest. It wasn't the same environment that you faced in Egypt or Israel where the AID programs had little relationship to economic issues.

The Government of Turkey had an office in Washington which was part of their State Planning Office (SPO). This was attached to the embassy, but was very independent. It took orders from SPO. The head of that office was my counterpart here. We met weekly with our two staffs to go over a whole range of things and then I would have lunch with my counterpart about once a month. The subject of that lunch was almost always policy issues, interest rate reform, trade controls, SEEs, or exchange rate reform. He was not of a rank that was going to make those decisions, and neither was I, but these discussions would reinforce what Jim was doing in Turkey at the same time. I had no illusions. Change was not going to happen tomorrow. Policy is a long process and I was more happy to have a five to 10 year perspective.

Q: What was the impact of the program on areas other than the macro economic side?

LANGMAID: In agriculture, Turkey went from being a major food importer to being an exporter during this period. This came about because of the Mexipac wheat introduction by an AID technician. Actually, he smuggled the first 50 pounds of seed into the country. Turkey had all kinds of rules about everything. Turkey is a country which believes in control. They keep track of everything. One of the rules was that new seed varieties had to be grown under very tightly controlled conditions in Turkey for two to four years before they could be in general use. You are not going to get anywhere very fast that way. So, one of the AID technicians brought in 50 pounds of Mexipac. It started growing on some of the experimental fields. Farmers saw the results and told other farmers. Within a year, we had farmers coming by bus from all over Turkey looking at what was happening. They would cut off the heads to plant at home. The Turks never asked where the original seed came from and soon we had a huge and successful program. Within three or four years, Turkey went from a major importer to a major exporter of wheat. This, of course, made USDA unhappy because Turkey competed in our markets. We also could no longer justify PL 480 Title I wheat which also made all the agencies dependent on Title I local currencies unhappy.

Q: What was our role other than the seed?

LANGMAID: Mexipac requires a range of new cultural practices. We were dealing with dry land farming. So, land leveling was an important part of the program, so the water didn't run off. There were various kinds of stubble mulching processes to keep the moisture level up. And, obviously, fertilizer. One of the big capital projects we were involved in at the time was fertilizer production. The Turks were making ammonia nitrate very inefficiently and we wanted to upgrade their capacity. Suddenly, there was a large demand for fertilizer. We were probably providing close to \$60 or \$70 million worth of Title I wheat when I began working on Turkey within three or four years that had ended. It was one of the more successful programs.

We had a major technical assistance and training program with the Ministry of Agriculture. Probably a third of their senior staff came to the United States for a management seminar program. When they went back to Turkey, they maintained that seminar style within the Ministry of Agriculture. In a relatively short period you had a large number of senior administrators all familiar with the same kind of management way of doing things, an instant network. It really made a huge difference in the way the ministry operated.

Q: Is the seminar approach an unusual technique?

LANGMAID: Yes. I don't know of any other cases in the countries in which I have been involved where we did this in such an organized fashion. It was a management approach which our USDA was, itself, using at the time. So, it was really an extension of something they had found worked very well. The key was to build the sense of camaraderie so when they went back to their own bureaucracy they would have colleagues with which to interact who had the same sort of management approach to solve big problems. The Turkish bureaucracy's objective was not to solve problems but to prevent problems from happening on your watch or avoid being caught. This was a major change in approach.

We did the same thing in an earlier period before I was involved, with the highway department. The Turkish Ministry of Transportation and one of our western states were, when I came on, already six or seven years into an exchange program. By the time it ended, almost all of the senior

management in the highway department had had some exposure to American education and ways of doing things. In later years, it was that experience that the Turks remembered and Prime Minister Demirel and Turgut Ozal, who became Prime Minister, wanted to replicate. They even used some of their own foreign exchange to send senior staff to the U.S. to get the same kind of jump start on management which they had gotten from this old program. In later years, long after the bilateral program ended, I went to a meeting with Administrator Peter McPherson and Prime Minister Turgut Ozal. He was here on a State visit. The AID program had ended, but the Prime Minister wanted to talk about restarting a training program using the highway department as a model.

Q: What about our work in public administration?

LANGMAID: We didn't do much. I shouldn't say that. It was the traditional things. Much of the money went to Robert Nathan Associates for studies on each of the State Economic Enterprises. The SEEs didn't do many of the things the studies recommended. Eventually, Turkey did spin off some of the State Economic Enterprises. Some of them simply died of their own free will because they were so grossly inefficient.

Q: We weren't pushing modernization?

LANGMAID: We were pushing a market price approach. The whole objective was to get them to behave as if they were in a market price environment. The studies by Robert Nathan were designed to enable them to do that. There was no political pressure elsewhere to change them. Also, several had a military production role. The plants were turning out tanks and guns and other kinds of military hardware as well as civilian goods. At that time, Turkey had the largest land force formally committed to NATO and we did not make much progress.

Q: What about other governmental regulated functions, were we involved in those?

LANGMAID: We trained a lot of Turks. We built Middle East Technical University as well as provided technical assistance to it. There was a public administration component of that program. We also provided TA to Hacettepe University. This was in the health area. With our help, it became a leader in population. We also built Erzurum University and through the University of Nebraska trained its staff. Finally, we provided aid to Roberts College, which eventually became a Turkish university.

Q: What was the health program at that time?

LANGMAID: During my time, it was mostly in population.

Q: Was it easily accepted by the country?

LANGMAID: Dr. Dogrumaci, who was the President of Hacettepe University and one of the leaders in Turkey at that time, became very interested. He had an interest in women's health in general. Jim Grant became convinced that population was a terribly important thing to do. Jim worked with the Ministry of Health. It needed transportation. It couldn't get health workers out into the countryside. If Jim would help it with transportation, then the Ministry would add population components to the program that the health workers were offering. This was known as the first contraceptive program in the history of AID. Jim, under the guise of a population program, came in with about a \$24 million loan program to provide the Ministry of Health with jeeps. There was TA also, but the main component was jeeps. It wasn't a disaster. They used the jeeps. But it had all the problems with that kind of program, such as record keeping and maintenance, etc. But, it was a start.

Q: What was the philosophy of the population program? Just a straight contraceptive distribution?

LANGMAID: Yes. It was largely contraceptive distribution, but also training, education, and social marketing. We had tried manufacturing contraceptives in Turkey but had quality control issues. The religious concerns were there, but I don't remember any major issues of that sort.

Q: No opposition?

LANGMAID: I'm sure there was some, but the leadership of Turkey let the program develop. These leaders had grown up with Ataturk (the Turkish George Washington). We were still living with a generation who were comrades in arms with Ataturk. They still shared his vision of Turkey being a Western nation. You would drive around anywhere in Turkey and there were always pictures of Ataturk in every office or hanging on a wall in every hotel. His face was always green. I don't know why. And he always wore a tuxedo or business suit. You never saw him in local dress. Reinforcing this theme was the Army, which under their constitution is the keeper of his vision for Turkey. Yes, there was a Muslim brotherhood and locals of very devout religious belief. They were not politically strong. You didn't see the veils on the women. Girls went to school and worked alongside men. The urban areas were very Western. Also, of course, the national drink is Raki, which is very strong, and the Turks I knew drank scotch also.

Q: Do you think there was any subsequent backlash?

LANGMAID: Not really. There were those saying Turkey was too dependent on the U.S. The Cyprus issue was there then, and more now. We usually tended to favor Greece over Turkey in that because of the political complexion of the Congress. Our program dealt with the relatively more sophisticated parts of the Turkish environment. We didn't work in eastern Turkey that much. Erzurum University and Keban Dam were major investments. We didn't get involved in the Kurdish issue at all.

Q: Did you get involved with rural population?

LANGMAID: Certainly rural, but the Anatolian plateau, not southeastern Turkey. The Mediterranean populations. We didn't do much in animal husbandry which meant we didn't do very much with the nomadic populations.

Q: Did you do anything with farmers?

LANGMAID: With Mexipac, yes. We did a lot with dry land farming. This is dry land farming. We did some work in irrigation but rainfed was the major focus.

Q: Small farms?

LANGMAID: Not probably by definition of the New Directions, but in Turkish context, yes. My recollection is that land ownership was not an issue. Now, whether that is because we simply ignored it or it wasn't an issue in Turkey, I don't recall. The tenant farmer was not an issue. They tended to own their farms. Turkey was a land of a lot of small businesses. Outside the huge SEE area, there were lots of small businessmen.

We also worked on tourism. Some of our road work was directed toward Turkish tourism. We did some limited training of staff for hotels, etc. But that was a hard thing for Congress to swallow. They don't like putting AID money into something that helps rich people enjoy themselves in the sun. However, it became a major foreign exchange earner for Turkey and a major developer of the Mediterranean coast. This was a poor area, but it just exploded with growth when tourism started taking over along the Aegean coast and south through Adana. In 10 years, it changed the complexion of that area of Turkey. The area from Istanbul to Ankara and south to Adana is where the population is concentrated. Eastern Turkey has a lot of land but there isn't much population there. It is a very poor area.

One of the interesting features of Turkey is it has all kinds of climate. It has snow. There is a ski area in Bursa, but is subtropical in the south. It had wonderful virgin forests, but its economy was so screwed up it was cutting down its virgin pine and giving it to the Egyptians for railroad ties under a barter trade agreement. They could have made a fortune on their lumber if they exported it in those days. Turkey had poor quality coal but lots of it. There was a terrible pollution problem from the coal, but we did little work in this area.

Q: Anything else on Turkey before we move on to another country?

LANGMAID: My other mission directors made life very interesting. Jim Killian came after Jim Grant and after Jim Killian left, Joe Toner came out as Mission Director. They were very different, very nice and very interesting directors. They were wonderful to learn from.

One story illustrates the differences of philosophy. Jim Grant's approach whenever he came to Washington was to bring a huge briefing book which had all the things that he wanted to get accomplished. When he arrived, he would give me the briefing book and tell me to fix all the things he wanted to get done - set up meetings as necessary, otherwise solve them myself. That was his style and it worked beautifully. It made a one week TDY very, very productive. Then Jim Killian came. I had heard about Jim being an old curmudgeon from Korean days and not an easy guy with which to work. I really wanted to show him what a good desk officer I was. He came in and put his briefcase down on the table and went off and got a cup of coffee or something. I proceeded to take things out of his briefcase, making copies and sending copies to people to get stuff done. That noontime we were walking to a meeting at the World Bank and Jim wasn't saying anything. I finally asked if something was wrong. He said, "How dare you open my briefing book. You have no business whatsoever going near that briefing book. That was my briefing book with my stuff in it." An interesting contrast of working styles. Jim and I

became good friends and developed an effective working relationship. It was a good learning process.

Q: Let's move on to another country in your kingdom.

USAID program in Iran - 1970s

LANGMAID: Iran was simply ending an old program. It was running down the pipeline. I went to Iran a couple of times on CENTO business, not Iranian business.

Q: What year would this have been?

LANGMAID: This would have been while I was office director of GTICC from 1970-1974 and probably during the early years, 1970-1971. There was no new money going on, just a residual pipeline.

Similarly with Greece. Greece was just cleaning up a pipeline.

Q: What do you think the impact of the program with Iran was?

LANGMAID: I don't really know. I didn't spend any time worrying about Iran, as such, or where the program had gone. The program had been ended because the Iranians had oil, not because it had become developed. There were still very poor parts in Iran that weren't being touched by this wealth and a ruling group lived very, very well. But, in those days programs were largely dictated by balance of payments considerations. You needed to import capital in order to grow and Iran no longer imported capital.

CENTO was still operating.

USAID and CENTO

Q: What is CENTO?

LANGMAID: CENTO included Turkey, Iran, and Pakistan. It was the Middle East complement to NATO. It had a joint military and civilian staff structure, but not a lot of content. On the civilian side, there were training and technical assistance projects and a few capital projects.

Q: What was the purpose of having CENTO?

LANGMAID: The same thing as NATO, containment, to build a ring around the Russians and prevent it from obtaining a warm water port. We had a CENTO telecommunications project which built a microwave communications line from Pakistan to Iran to Turkey. The three countries in CENTO were Pakistan, Iran, and Turkey. Iraq was not a member of CENTO and neither was Syria nor Afghanistan. We also had an air traffic control project designed to coordinate civilian air traffic. There were several

training programs.

One of my objectives during this period was to complete the CENTO program. To finish the projects well but then in some sort of formal fashion say goodbye, the foreign assistance part of this treaty is now over. You never do that well. You just let things run down. There were big handover ceremonies. With the handover of the microwave project, the three presidents got on the wire and talked to each other for a brief time. I think most were amazed it worked.

USAID and Cyprus

In Cyprus, we funded a training program. The Cypriots had always sent their children to England. There were no colleges in Cyprus. When the British stopped paying for that, they wanted to come to the States, so we provided a fair amount of that training for the Cypriots. In later years, not when I was office director, but when I was DAA, we had several projects which were specifically designed to get the Turkish Cypriots and the Greek Cypriots to work together on joint activities. The budget was about \$7 million in TA. It was a congressionally determined program. The Cypriots were doing very well economically.

Q: What was Congress' role, why were they...?

LANGMAID: Because of the Greek lobby. Throughout this period, the most active congressional committee was Congressman Hamilton's Near East and Europe Subcommittee on the House Foreign Affairs Committee. The Senate was not organized in a geographic sense and the House regional committees were the most active. That subcommittee had a Greek lobby. This lobby was very strong. It knew it couldn't justify continued civilian economic programs in Greece, but they could in Cyprus, particularly as long as the Turks were occupying half of the island. We finally realized we couldn't do very much about that, so we spent our \$7.5 million as sensibly as we could.

Q: What were we trying to accomplish?

LANGMAID: Not much, training.

Q: Just training, nothing political?

LANGMAID: We weren't in the political issue. The negotiations on Cyprus had no bearing on the overall program. Our program was just a token amount. It was just a sop to those in Congress who wanted to have us doing good things for the Cypriots.

Q: The State Department wasn't pressuring us to have a program?

LANGMAID: No, they did not want an AID presence or complicated program. They were not encouraging us to end the program, but they certainly weren't pressuring us to increase it. They knew full well that it would take money away from other things they

wanted. I remember having a conversation with Mike Van Dusen, who was the chief subcommittee staffer for Congressman Hamilton. We knew full well that x million going to Cyprus was not going somewhere else. Mike said it was not worth my time, the politics being as they were. A couple of years, we went in for half the amount and the Congress earmarked it back up to the \$7.5 million. Finally, I gave up trying to get it cut and we decided to spend it as wisely as we could without costing a lot of staff time. We were not in an economic policy dialogue. They weren't interested and their economy was fine.

Greece was also phasing out. That covers the GTICC collection of countries. Later, the office name became NOAS and I picked up a few countries. I picked up Jordan well after the 1967 war, so we had a West Bank program and a Jordan program.

USAID and Jordan

Q: What was the Jordan program?

LANGMAID: The Jordan program at that time was largely budget support, a cash payment to neutralize the economic cost of their military budget. We sought to maintain their military force at a certain level. Jordan was interesting because it had a fixed fully convertible foreign exchange. The Dinar was a very hard currency largely because we were financing it. Jordan was a long established program. We built a canal system in the Jordan valley, universities, roads. We did some work in agriculture, particularly in the valley which was all irrigated. There was a lot in public administration, training, and some work in tourism. Jordanians are delightful people. They are very Western in their orientation and are well educated. They are also very entrepreneurial. They were carrying a military force because of the Arab/Israel issues. It was not the most democratic country although it was a pretty open society. The King controlled things. His power base was the military, which was Bedouin. The King was a Bedouin. But, the country had a large Palestinian population. Relatively speaking, the military presence was not heavy and was fairly positive, building roads, schools, hospitals, etc.

Q: Our assistance was essentially to keep things going day by day or year by year rather than any long term objectives?

LANGMAID: We had a traditional technical assistance program for those times. We built schools and university buildings and provided technical assistance to them. We had an agricultural program, some rainfed and irrigated. The mission was probably 60 people. We did health, a little population, and a lot of small business. The program was \$40 million in budget support and maybe \$10-15 million in capital projects of some sort and then maybe \$5-8 million in technical assistance. It contained the normal things for that day, a full service technical assistance program, and a large direct hire staff.

My recollection is that public administration was an important component of the Jordan program in the public and private sector. We had a development bank project. We provided loan funds and technical assistance. It was what you might call privatization today, but it wasn't called that then. We had large programs in the Jordan valley,

irrigation, construction, and management, credit programs, technical assistance in agricultural production. The Jordan valley is a very small area, but a hugely profitable investment. By the time I worked on Jordan, it lost the West Bank, which was the most economically developed part of Jordan. What remained was the highlands, which is poor rained land, a lot of desert, and the Jordan valley. That was the resource of Jordan. Its real strength was its very talented, industrious people.

Q: Were you involved in tourism there, too?

LANGMAID: Yes, there was a tourism component of the program. As I recall, we worked with the Ministry of Tourism and on tourism sites - preserving them, protecting them, upgrading them, providing facilities to them, training staff on how to present tourist sites to the public, that kind of thing. This was largely technical assistance. There was a small Title I program. In those days, Title I generated local currency counterpart. A lot was used for tourism projects.

Q: In your view, what was our overall rationale for having a program in Jordan?

LANGMAID: Political.

Q: To accomplish what?

LANGMAID: Peace in the Middle East.

Q: To keep the balance?

LANGMAID: I would probably say the status quo. We obviously were not providing a balance to the Israeli aid level. I came in after the 1967 war. This was a new set of circumstances. We had picked up from the British the financing of the Jordan military establishment and the economic base for that establishment. The Jordanians had committed themselves, although I don't think there was anything in writing, to maintaining that military establishment in an effective defensive posture. It did not increase when I was there, but it was maintained at a level of competence and readiness to secure Jordan, but not threaten Israel.

One of the stories of the time describes when we finally agreed to give the Jordanians M16 rifles, which was the latest technology. The Jordanian soldiers at the border facing the Israelis were showing them off, saying, "Look, we now have them also."

The King of Jordan had been a loyal, effective leader of the area. Jordan was stable. There weren't many effective leaders in that area and little stability. He was committed to a democratic society. At that time, Egypt and Syria were threats. King Hussein had proven to be reasonable and effective. We wanted to build the economy, but we didn't have in mind an end to assistance in the classic sense. However, we did not want to reduce the budget support but had only marginal success. We wanted to get out of that kind of relationship. That was part of a policy dialogue.

I remember going out as part of a team which Curt Farrar headed. He was the Deputy in the Near East Bureau. We went to assess the Jordanian assistance requirements. Our brief concluded to keep the budget support down and get the economy on a track where it would no longer need budget support. The Jordanians were not prepared to accept a reduction at that time because for them budget support was an integral part of a special relationship with the United States which politically was a high priority. But, Congress put on some pressure and the budget support level eventually came down.

When I started working on Jordan, the Jordan valley closed because of terrorist activities. This was the period when the Palestinians tried to take over Jordan and their fighters were operating from the Jordan valley, crossing over and making terrorist strikes into Israel. The Israelis had targeted the Jordan valley. They turned off the head waters at the Yarmuk River and shelled the canal. Everyone had left and were living up in the highlands. Our team was one of the first groups back in the valley. One of our priorities was rebuilding the infrastructure and institutions. Technical assistance to the institutions of the valley was as much a component as capital assistance to build the roads and rebuild the irrigation system which had been badly damaged by the Israelis. Jordan had a perfectly good educational system. There were some strong universities. A number of Jordanians had gone to the United States, England, and Europe for training. They are very entrepreneurial. The valley was key to the Jordan economy.

What has happened since then has been fun to watch. The economy has grown rapidly. When Beirut closed because of the fighting, many of the banking and service industries moved to Jordan. That was way past my time in AID. I have been there since and the change is remarkable.

Q: Did the State Department have any particular views about the program other than to maintain the balance of payments?

LANGMAID: No, I don't recall any pressure. Obviously, State wanted to maintain budget support and overall levels but also knew neither could be maintained indefinitely. Jordan was one of those programs and was cut somewhere around the \$60-65 million level. If we tried to take something more off that, we had a battle on our hands. It was that kind of thing. But there were very good ambassadors in Jordan at the time, very sensible folks. Their working relationship with the AID Mission was very good. Art Handley was the Mission Director I recall through most of this period in Jordan.

In 1972, I was part of a team sent to assess Jordan's assistance needs. Curt Farrar headed the team. We tended to skew our interests towards those actions that Jordan could take that would reduce the requirement for budget support. Of course, those actions tend to impinge upon what was considered a sacrosanct military level, size of the military budget, and the full convertibility for the Jordanian dinar. We would hear arguments about anything that impinged on those. But, beyond that, the PL 480 program was very sensitive because that again was a form of budget support. Jordan was a net food importer, so it was a good tradeoff. It was a well run, effective Title II program. But,

other than that, the content of the program was pretty much up to us. We wanted to work in the Jordan valley and so did the embassy. We were interested in building a trunk road from Amman to Irbid in the north, which was important from a military as well as a civilian standpoint. The Jordanians wanted that and so did the embassy. But overall, we had a good working relationship with NEA. This was a political program, but that doesn't mean you can't do developmental work. Furthermore, Jordan used assistance well.

I went to Jordan a couple of times. I spent some time working on its issues, but it did not occupy as much of my time as Turkey did. The political parameters were set as well as the program content when I arrived.

USAID and Afghanistan

Q: Okay, shall we move on to Afghanistan?

LANGMAID: As I said, when the East-West Pakistan war broke out, AID decided to re-divide the country's responsibilities and I picked up Pakistan and Afghanistan. I didn't have them for a long time. Joe Wheeler was the Mission Director in Pakistan at this time and Bart Harvey was the Mission Director in Afghanistan for most of the time.

Pakistan was a very large, full service mission. Joe had been there for eight years already, and had an excellent program. When there were major floods, I went out and worked on some of the reconstruction issues. But, I didn't spend an awful lot of time on the Pak program. I was not Office Director long enough to get deeply involved and it was a well established, well run program. I spent more time on Afghanistan.

Q: What was the situation in Afghanistan when you got involved with it?

LANGMAID: It was a large TA program, \$30+ million in technical assistance, a small Title II program, and a modest loan pipeline.

Q: This was what year?

LANGMAID: I was office director for this period from 1970-1974 and this would have been late in that period, somewhere in the 1972-1973 range.

The U.S. ambassador in Kabul when I started working on Afghanistan was convinced that Afghanistan was one of the key countries in preventing the Russians from obtaining their warm water port. He saw Afghanistan as a major geopolitical player. He was continually arguing for a larger AID program and a political content. This was an attitude which I can't blame only on him because I think previous ambassadors felt the same way.

Some of the classic snafus, in terms of bad projects, in AID history occurred in Afghanistan. The most classic is the Kandahar airport. The Russians built Kabul International Airport and USAID had been convinced to build the Kandahar Airport. This was a completed project by the time I started working on Afghanistan. The Economic

rationale, I was told, was that Kabul was a natural refueling spot on the great circle route to the orient. The only problem with that rationale was that it was predicated on prop driven aircraft, not jets. The Boeing 707 was coming off the assembly line and was changing international air patterns.

It is a beautiful airport. This is the project I knew where AID hired an architect. It is designed in classic domed traditional Afghan architecture in pink concrete and is really a thing of beauty. There was all the latest equipment in it, but the wires were never fully connected. There was a soda fountain, but the pipes were never hooked up. It served one or two planes a day as a feeder route from Kandahar to the Helmand Valley. There may have been a few flights a week to Pakistan. It was a classic white elephant. It should never have been built.

Q: This was driven by some political aim?

LANGMAID: Yes. The Russians, Chinese, and U.S. were competing with aid programs. Afghanistan has the Hindu Kush, a major mountain range, in the middle of the country and plateau all around. There is a circumvential road around the country, which is the only main trunk road in the country. It was built one third by the Chinese, one third by the Americans, and one third by the Russians. The Russians built a technology institute as their model while we were developing a faculty of engineering at Kabul University. There were other areas of competition. There was a large Russian presence when I was there. They had an assistance staff as big as ours, if not bigger, and a much bigger military presence. Basically, we worked to the south of the Hindu Kush and the Russians worked to the north. The Afghans had natural gas north of the Hindu Kush which was fully integrated into the Russian economy.

The key question was, is Afghanistan that geopolitically important? Washington, both AID and NEA, didn't necessarily agree with the country team view. The country team wanted Afghanistan to have an aid level comparable to that of Turkey, Pakistan, or Jordan, not that Afghanistan was a small program for a development program. Afghanistan was receiving \$30 million in TA. This is a big TA country. It had a large direct hire staff. But it was viewed and treated as a development program, not a political program. That doesn't mean NEA didn't fight with us when we wanted to reduce the AID level, but they weren't prepared to say that Afghanistan was a political program. When DA levels were cut, Afghanistan took its proportional share of the cut.

When I became Office Director for Afghanistan, there was considerable tension in the relationship between Washington and the field. The USAID mission seemed to feel we

didn't appreciate how important the programs were and, frankly, we did not think they were as important as they thought they were. I had had a very effective working relationship with Bart Harvey when he was in AID/Washington and when he was the Deputy in Turkey, but my working relationship with Bart was not easy. I had to carry some tough messages on the programs levels and content with which he did not agree. We never did reach a consensus on program direction.

I think also that when Afghanistan and Pakistan were moved to my office, the field, for whatever mission, felt that this signaled a change in the priority being given to Afghanistan. The mission in a South Asian context ranked behind India and Pakistan, but now it was going through another office. The mission saw a signal that was not intended. I still had Turkey as a major program and picked up Israel and Jordan and Pakistan. When the Mission didn't get the increased care, attention, and support that they were anticipating with the office shift, the relationship soured. I didn't have this problem with any other country, and I regret so little progress was made in resolving it.

Q: What were some of the other projects that you remember?

LANGMAID: There was a major investment in the Helmand valley. The Helmand valley was similar to the Jordan valley. It was a compact irrigation system. We provided considerable capital and technical assistance. It worked pretty well.

Q: You hear a lot of stories about it being a disaster because of the salinization problem.

LANGMAID: We had all the problems of other irrigation systems but the valley institutions we built worked pretty well given the Afghan context. The construction company we developed to build and maintain the canal system became a model for the country. So, if you asked me if I would do the project over again, I would say no, I wouldn't have invested in the Helmand valley. However, the capital investments had been made so the return on this margin was high. We built a Helmand Valley Authority which had two parts. One dealt with technical assistance to farmers and the other part maintained the infrastructure. The construction infrastructure side ended up providing key technical staff to the Ministry of Infrastructure and most of the other government construction projects.

We also had a major education program in Afghanistan. We started from scratch to build an Afghan specific primary school curriculum. Teachers College, Columbia University was the primary contractor. We gave high priority to women's education. This was a very, very conservative Muslim population. Women had very little education and very few rights. I think we made some significant progress by getting women into school and providing facilities for them in school that was socially and culturally acceptable. We also had major programs with Kabul University. The University of Nebraska was working on overall administration but we also had projects with the faculties of education and engineering. There were investment advisory services for small businesses. We had a contract with Thomas Minor Associates to do that. Robert Nathan Associates had a large economic planning contract with AID to provide advice to the Afghan Ministry of Development. This was a period when USAID thought five year plans were important. Bob Nathan came out at least twice a year to meet with the Prime Minister and the king and talk about grand things. Of course, this was predicated on the national government controlling the economy. In reality, the writ of the Afghan government didn't extend much past the outskirts of Kabul and the major cities. The rest was tribal. I don't think this program accomplished much.

We had a large agricultural program working on dry land agriculture and small scale irrigation. I don't remember any population program, but we had a health program, pretty classical public health, and prevention activities.

Q: What was it like working with the Afghan government?

LANGMAID: The Afghan government is a sort of misnomer. We worked with people who worked in ministries. Some were able; some were not. If you really wanted to get things outside of the capital, you had to work with whatever the local authority was. It may be governmental or it may be tribal. Decisions were made according to tribal ties or relationships in the royal family, not through the formal ministerial structure. The ministries knew very well how to play the aid game. They had Russians, Chinese, and Americans bidding for their time and attention for projects. They were more than happy to tell the Americans whatever they thought we wanted to hear. As a result, side letters conditions precedent, and project agreements meant very little and could not be relied upon. However, if you had a working relationship with a particular individual who really took ownership, it was different. I don't want to paint the programs as all being a disaster. They were not. However, the divergence of the paper record from actual reality was greater than any other programs in my area.

As an example, AID had a capital project called the Shamlon canal. It was a new canal system replacing two previous ones that had not been built right. They had designed the drainage the wrong way, so to do the new project you had to take the farmers off their land for a year, demolish their homes, level the land they had actually lived on before. Not a very sensible idea. But, when I got involved, the major diversion canal was finished and it was time to move the farmers. The Afghan officials had signed all the documents dutifully, saying they would do this. It was a very clear set of paper agreements. However, work began to slow and conditions precedent were missed. It was quite clear the Afghan farmers had no intention of leaving their land. The government finally offered to send in the army to move them. We didn't want to be part of that. Consequently, I had to go to Maury Williams, who was Deputy Administrator at that time and tell him to write off this loan as uncollectible and unenforceable. This was the only time I was involved in saying this is an unimplementable project as designed, write it off and take the losses. It is the only case I am aware of in AID.

Q: Did you ever meet with the Russians?

LANGMAID: No. I was at receptions where there were Russians, but in a formal sense of knowing Russians, no. The Mission staff may have had contact. There was a UNDP chaired donor group in Kabul. The Russians may have attended. Bob Nathan met with the Russians on some of his visits.

Q: As far as you know, there wasn't any Russian interaction?

LANGMAID: I suspect to some degree there was. I have no direct knowledge, but it

wouldn't surprise me, at least in the sense of some degree of informal sorting out of who was going to work in what areas for why. There was a donors group. In all of these countries, there was a process where you consulted with both the PVOs who were working as well as the other donors. In Afghanistan, I think the UNDP President Representative chaired the process, and the Russians came to that.

I went back to Afghanistan after. For all purposes, the Russians had taken control. I was there two months before Ambassador Spike Dubbs was killed by the terrorists. It was a frightening environment. There was a Russian presence everywhere. There were Russian appointed ministers in the formerly independent government. I was there as part of a team headed by Joe Wheeler to assess the program. The ambassador had a reception for us. The guards of the Afghan ministers carrying AK47s came into the residence and stood in the hallway. This became something of a diplomatic issue. We went to the Helmand Valley and stopped at Kandahar. The airport and its 10,000 foot runway was now a MIG21 base.

Q: We were closing the program at that point?

LANGMAID: Essentially so. The team was there to assess what could be done. The program had come way down because we just couldn't do things anymore. A formal Russian takeover seemed imminent. The embassy staff had also been reduced. We were doing little more than participant training.

Q: Do you think we had any lasting impact on the country?

LANGMAID: Very little. Afghanistan is a tribal society. The Afghans don't recognize themselves as Afghans. The country borders are artificial. The topography is such that it tends to spread people out of the country rather than into it. The mountains are a major barrier to development and nationbuilding. It was religiously very conservative. Pricing and interest rate questions and women's issues were hard. Progress was being made, but it is lost now.

Q: What would you do?

LANGMAID: I would have built for the long haul as we tried to do over time in Yemen. I would focus on what they were serious about. I think they were serious about primary education. Participant training would play a major role. Afghanistan is a very poor country, but aside from disasters, it is basically self-sufficient in food. Primary health care should also be a high priority.

Q: What makes it so fascinating?

LANGMAID: Many cultures all coming together at the same time. You have Chinese coming from one direction, other Asians, Monguls, Arabs, etc. You have tribal dress, everyone looking different. It is a crossroads to the world. This was the furthest extension of both the Roman Empire and Hannibal the Great. It is truly a backroads crossroads of

the Asian continent. The variety made it very challenging but also very interesting.

Assignment as special assistant to the Deputy Administrator - 1974

Maury Williams was the Assistant Administrator when I was working on Turkish affairs. He then moved up to be Deputy Director. In 1974, he asked me to become his special assistant, so I left Near East to become special assistant to the deputy administrator. This was when I worked on the Pakistan flood. Maury also carried the title of the President's Special Assistant for Disaster Relief. It was a real title. He had the capability of calling OMB and other agencies and making decisions that committed the U.S. Government. The AID Administrator has not had this kind of authority since.

When floods hit the Punjab, Maury went out as the President's emissary. I had just joined his staff. He called me from Pakistan. I was on vacation prior to starting work for him. He said he thought I should be out there and to get on a plane tomorrow. So, I did and landed at Karachi airport at 2:00 am in the morning and some guy came over and told me Maury had left Karachi and was up country. So, I flew to a regional airport somewhere in the delta with the flood water rising around me. When I got off, no one knew of Maury Williams. I spent the next two days flying all over Pakistan keeping notes for Maury. When we returned, Maury reported to the President recommending a special reconstruction and food aid programs.

I worked for Maury for about a year. When the Republicans came in, the new Administrator wanted a political appointee as his deputy. So, Maury left AID to become chairman of DAC. He asked me if I would come with him as his assistant. So, I went over to Paris for a year and worked on a variety of things. This was when the Club des Amis du Sahel was being formed.

Q: Before we talk about the Club, what was our response to the Pakistan emergency?

LANGMAID: There was some reconstruction assistance but the bulk was food aid to cover harvest losses and generate counterpart. Pakistan was an important AID country at that time. It got lots of attention. Bhutto was the president, who at that time was thought to be a reasonably good guy. Joe Wheeler was the Mission Director. Maury's report recommended relief aid for a short period of time until the waters went back down. People's food stores were destroyed, but the irrigation wasn't that badly damaged. Consequently, the program also included two years of additional PL 480.

Q: Were there any issues in the distribution?

LANGMAID: Not that I recall. They had been receiving PL 480 for some time and there was a relatively established system for delivering it and a reasonably efficient system for moving it.

Q: Did we do any rehabilitation work in connection with the irrigation system?

LANGMAID: We did not do any directly. Local currency from PL 480 was used to repair damaged canal systems. Some of the control gates were washed out and we helped there. We had an ongoing relationship with WAPA (Water and Power Authority) which was a quasi-independent governmental organization. It ran the irrigation system. It was not a ministry. It had its own civil service system, own procurement system. It was a competent, well run organization. I am not sure I recommend this type of organization as a long-term way of doing business, but almost all of the countries with which I have dealt had these kinds of semi-independent organizations that have broken away from the traditional civil service way of doing business. They have received a large amount of attention by donors and they worked. WAPA was one of those (as was the Helmand Valley Authority and Jordan Valley Authority). WAPA had received loan and TA support. Its senior staff had been trained in the States. It was a very efficient public works management agency. It was not responsible for what the farmers grew or the seeds or the credit systems at the farmer level. That side of it never worked that well. But, with the pure managing of water, distributing of water, etc.; it did a good job. It was perfectly capable of repairing the flood damage and restoring the gates. They had the technical skills and management capacity. They did not have the foreign exchange to buy the control structures, etc. and we provided the loan money for that.

Approaches to narcotics control

One of the areas I spent time on was narcotics in Turkey and to a lesser degree in Pakistan and Afghanistan.

Q: What was your approach to that?

LANGMAID: In Turkey, the approach was a policy dialogue with the government, technical assistance, and balance of payments loan to compensate for the foreign exchange loss resulting from the eradication of poppy cultivation. The Turks did agree to cease cultivation. That lasted for three or four years. Then they went back into legal production and sale. I can't speak first hand about the results but I believe the government purchase program has been successful. Turkey always bought domestic production through a government monopoly and sold it to legitimate pharmaceutical companies in Europe. They went back into that business but with a very controlled process so that little reached the illicit market. Before this program there had been considerable illicit trade. We tried alternative crops, but there are no economically viable alternative crops. Poppies are grown in all these countries as a local truck garden crop. Every farmer will have a little piece of his vegetable garden devoted to poppies. It grows in the worst soil and the raw opium gum stores for 10 years in the ground with no significant deterioration. A hunk of opium buried behind your house is your savings just as the Indian farmer will have gold trinkets on his wife's arm as his savings. Opium has several characteristics that makes it a very attractive crop for a farmer to grow. At that time, Turkey did not have a significant narcotics problem of its own. The farmers were growing it as a very productive cash crop. Given its characteristics there was no other replacement crop.

Q: What were we financing with our loan?

LANGMAID: We provided trucks and vehicles to enable them to survey the area and arrange for alternative crops, new seeds, technical assistance, etc. The issue was if you are going to lose foreign exchange from legal sales when you eradicate, we will compensate you over a period of time for that foreign exchange loss. It was up to the Turkish government to deal with the problem faced by their farmers.

In Pakistan and Afghanistan, it was more integrated into a subculture. There was a narcotics issue in the countries themselves, and smuggling was much more prevalent. There were poppy growing areas that were not safe. We provided some assistance for alternative crops. But, the governments were not strong on this issue and crop replacement was of limited value.

Q: I have the impression in Pakistan that it worked. Is that true?

LANGMAID: I can't speak to what happened after I left, but while I was there I don't think we had any real impact with our programs.

Assignment with the Development Assistance Committee (DAC/OECD)

LANGMAID: In Paris, I had a dual role as Maury's special assistant and as consultant to the DAC Secretariats.

Q: What was the DAC in those days?

LANGMAID: The DAC chairman had three major concerns at that time. Internally, he sought to maintain the integrity of DAC. The organizational arrangement is difficult. The DAC staff reports to the Director General of the OECD, not to the chairman of the DAC. Whereas, the chairman may have influence over what the Secretariat does, it takes its orders from the Secretary General of the OECD. In this period, the Secretary General of the OECD wanted to be the next head of IMF. He thought he could make himself more attractive to developing countries if he became more active on development issues. This was the time of the large increase in oil prices and interest in recycling petro-dollars. Consequently, there was more internal politics than normal. The OECD created an OECD level expanded program on development issues to give the head of the OECD a forum.

This was the time when the IMF interim committee was formed. There were questions as to whether or not the U.S. should continue to supply the DAC chairman. Having a permanent committee chairman is very unique and having that chairman always be from one country does not happen in other OECD committees. The other committee chairmanships rotate among the members and are from the embassy staff of the OECD members. The politics took more time than we would have liked. The substantive issues were far more interesting.

This was a period when the Arabs were increasing the price of oil dramatically. They built up large balance of payments surpluses. There was considerable interest in devoting

some of these surpluses to development. Maury worked very hard to develop a DAC role and open dialogue with the Arab lending institutions.

Q: What happened to the Arab relationship? Did that ever evolve?

LANGMAID: Yes, a regular process of consultations developed including a regular meeting between the Arab aid agencies, the Kuwaiti Fund, and those kinds of organizations and the DAC members. As far as I know, this continued as long as Maury was the DAC chairman. To my knowledge, it became a regular feature of the DAC meeting schedule.

Another issue of great interest to Maury dating to his disaster relief days was the Sahel's problems. He worked hard to establish the Club des Amis du Sahel.

Q: Were you involved in that at all?

LANGMAID: Only in a limited way. I had no African experience, but I worked on some of the internal, organizational issues.

Q: Were there any issues?

LANGMAID: The key issue was whether this was an appropriate role for DAC and how do you structure this in an international secretariat which doesn't really want to take on new tasks. The OECD/DAC had chaired two consortia, Greece and Turkey. There was an enthusiasm for starting a third. The Club was to deal with substantive issues. There was a strong view among some DAC members that donor countries could only deal with donor issues, they cannot deal with development issues. If you don't have the developing countries there, you should not talk about their development issues was the view. They felt the DAC should restrict itself to issues of donor terms, harmonization of conditions of loans and level of assistance, not the substance of development. At the same time, the DAC is a consensus organization. Maury spent considerable energy building that consensus. My role was to staff out issues, identify options, etc.

Q: What was your understanding of the role of DAC?

LANGMAID: I think the DAC should be a major forum for development issues. It never has been. It was a sideshow within USAID. It should be a flexible framework for discussion of donor issues, but also broader development issues. The DAC staff is quite talented. Some of the studies they have done are worthwhile and I think they have done a lot of useful work in the area of country reviews and finding out the various terms and conditions of various donors and harmonizing those to a large degree.

Q: Why is that?

LANGMAID: Because much of AID's energy goes to running its own programs. Compared to the Europeans, USAID, spent much less time on consultations with other

donors and international organizations.

The DAC can berate the U.S. all it wants, but the DAC saying the U.S. should increase its level of aid is not going to have influence on the process by which the U.S. government decides how much aid it is going to give. So, as a fund-raising device, the DAC is marginal. That is not where the decisions are going to be made. The DAC process gave other countries a chance to harp at us once a year, and that is a healthy thing. Did it have any bearing back in Washington on how AID behaved? Probably not. However, some of the issues the DAC worked on in terms of loan terms and simplifying those terms, grant element issues, and debt relief evaluation, etc. was useful. The staff work was good. They have a superb secretariat. They are skilled and knowledgeable. If you want to know something about donor programs, probably the best place to go was DAC. But, were they at the center of development issues? No.

Q: Did it have any influence on the other delegates?

LANGMAID: Did we have influence on their aid levels? I think the DAC had more influence on other donors than on the U.S. It was quite effective in the area of harmonizing terms. The French, Germans, etc. all had different laws and the poor developing countries had to become experts on the laws and rules of 15 different countries. That is crazy. The DAC made progress in simplifying the aid delivery mechanisms. On debt issues, on grant element and going after 100% grants to lease-developed countries, I think the DAC, particularly the Scandinavian countries, had a major influence on moving those sets of issues along. On broader development questions, either regional or country specific, no, the World Bank is where the action is going to be. Most of the DAC members would rather work within the context of a bank led consortium.

In my time, the DAC chairmen was invited to most consortium meetings and he would go on occasion, but it was largely ceremonial. I think there was a fear, at that time, that the Interim Committee of the IMF, which was to consider development issues, might pick up a lot of the things that the DAC has done. It did not really evolve that way. I couldn't tell you why. I wasn't close enough.

Q: What about chairman reports? That was supposed to be an influential paper.

LANGMAID: As with many reports, the process of developing them is more important than the report itself. The report was built from the meetings held during the year. The DA Chairman spent a lot of time on the reports. There were two parts to the Chairman's report. One was statistical annexes, country reviews, and the issues developed by the DAC over the year. The other part was the Chairman's statement on the overall state of the developing world. Each year the Chairman spends a lot of time doing this. I spent my August vacation helping Maury write the reports. You do all the things you do to write a book each year. It is fun to bring the issues together and put them down in print. This was the period when resources were shifting to the Arabs and we spent a lot of time looking at aid flows and private flows and how do you recycle the petro dollars. Those are important

issues. I would like to think the Chairman's report was a key part of an overall policy dialogue with influence on the outcome. Bringing the DAC to a consensus on these issues in the development of the report was probably more important than the final written document.

Return to Washington as head of Developing Planning for the Near East Bureau - 1976-1980

When I came back from Paris, Bob Nooter was the Near East-South Asia Assistant Administrator. Al White had become the Deputy Assistant Administrator. He had been the DP office director for as long as I had been in the Bureau. I guess he had told Bob that I was someone that he would want as his DP Director. Bob interviewed me while I was in Paris and offered me the job. It was a hard decision because I felt I owed Maury more than one year. However, I was relatively young in my career and being a special assistant and writing papers rather than managing programs was really not what I wanted to contribute. Consequently, I accepted the offer. I returned to Washington and from 1976 through early 1980, I was the DP chief for the Near East Bureau. I probably never worked harder in my life, but it was a learning and very rewarding experience.

Q: What area did the Near East Bureau cover at this time?

LANGMAID: At that time, it was Near East, Asia, and Europe. The Bureau no longer covered the SA countries. The one issue that occurred during this period was moving the Economic Supporting Assistance countries out of the Near East. So, Israel went to a Security Assistance bureau. We kept the "development" part of the Israeli program, which was American Schools and Hospitals Abroad and some PVO activities, but the big budget support was SA. Soon there was an Egypt program, so Egypt went to that new Bureau. I think we kept Jordan because Jordan had moved by then into a combination of ESF budget support and DA. We picked up the Philippines and Indonesia, but not Vietnam, which was all ESF. In effect, we picked up all the development countries of Asia. Thailand was part of us also. Eventually, we were renamed the Asia Bureau. We also added Poland and Portugal. Portugal became an issue as a result of its loss of Mozambique. The returning Portuguese citizens put huge pressure on the economy. So, we had a big employment generation program in Portugal. We also had a small program in Spain during this period. So, it was everything in the world but Southeast Asia, Africa, and Latin America.

Q: This was a functional split rather than a geographic one.

LANGMAID: Yes. It was really both. You had the core programs of NESA. This was logical, given the way NEA was set up. We added Europe because it was small and did not fit elsewhere.

Q: But, you had the development program portion of it rather than the economic support.

LANGMAID: Correct. They created an Economic Support Bureau. This was based

primarily on the dominance of South East Asia in the ESF or Security Supporting Assistance Account. It didn't work and wasn't very sensible. It didn't affect us that much, but it meant that the Economic Support Bureau had to deal with three different State Assistant Secretaries. This was a mess.

Q: You didn't have any countries where you had both forms of assistance?

LANGMAID: Jordan, as I recall, was the only one like that. Portugal and Spain had their own account which eventually became ESF.

On a related issue, all these country and account changes got to be actively involved in the Congressional Presentation process. Genta Hawkins was director of the Legislative Office and she asked me to be part of her CP redesign team.

Q: What kind of change were you trying to bring about?

LANGMAID: We were trying to get the Appropriations Committees to accept a smaller CP with more country but less project detail. We wanted to get rid of the E-Is, the project sheets. We also wanted to change the notification process so we could easily process small changes in project dollar levels without having to come up with a whole revised project sheet. We hoped to get agreement that small changes within the same total would not even require notification.

I also did a lot of work redesigning the long range assistance planning tools of the Agency. The Agency seems to do this about every five years. There is a lot of "dead wood" in the process and periodically this needs to be eliminated. However, the core information needs are pretty much the same in all the changes. During my time as DP Director, I had become something of a programming expert, so I spent a lot of time on process issues. Some of the changes are still there, which is rewarding.

Q: Were you involved in the allocation of funds among the countries and the decision making of who got what?

LANGMAID: Yes. One of the principle roles of a DP office was to manage the budget process for the AA. We managed the staff review process and I chaired many of the reviews.

Q: What were the guidelines for the development policy at that time?

LANGMAID: This would have been around the time of the "New Directions." It was also a time of major staff reductions.

Q: What was your understanding of the "New Directions?"

LANGMAID: I think the purists would say assistance should go to the poorest of the

poor and to the poorest in those poor countries. They also wanted to be sure these poor were directly impacted by our aid. As we had many political programs, I was probably involved in trying to keep the purists under some reasonable level of control.

Q: What do you mean by that?

LANGMAID: Some argued that the "New Directions" meant finding the absolute poorest person you could and then in a hands on way delivering assistance to that poor person and you shouldn't deliver any aid until you could prove that you had, in fact, found that poorest person. A large new analytical burden was added to the programming process, and many successful institution building projects came under attack. We spent a lot of time arguing about how poor they were and were they really the poorest of the poor or simply poor people. The New Directions was a beneficial policy change for the Agency but, as with a lot of policies, extreme interpretations can be destructive.

Q: How did this affect the program?

LANGMAID: It slowed everything down. Programs moved more slowly, they were redesigned and redesigned. Washington became much more involved in reviewing projects and sending them back for additional study because you hadn't documented the poverty of the beneficiaries. There was a lot of pressure against classical capital projects and institution building activities in favor of hands on projects dealing with that poorest person directly. Out of this process came far more attention to who the "beneficiaries" of our aid program was going to be and what impact we were having on "beneficiaries." This was positive. But, what I consider silly was time we spent trying to out-poor the next guy. This dramatically increased the level of paper viewing in Washington and the tension in the AID/Washington field relationship.

Q: Did the content of the program shift? Were there things that we did either more of or less of?

LANGMAID: Yes.

Q: In what way?

LANGMAID: The content shifted from program assistance and capital assistance to grant TA. This was an evolution that was happening anyway for a variety of reasons. Large capital donor loans for infrastructure and balance of payments assistance were not popular in Congress. We had more technical assistance (TA) and a different kind of TA. We did more community development programs, a lot less building of universities. We gave more to primary education. I remember a major battle with PPC over Morocco. We had spent years building Hassan II Agricultural University. This was a very successful project with the University of Minnesota. It was near completion and PPC wanted to kill the project. It wasn't helping the poorest of the poor directly and the emphasis was on direct help to the poorest of the poor. These were neither productive nor enjoyable discussions.

At the margin, I think the program did shift and I think it shifted in a positive fashion. Clearly, there was much more interest in who the beneficiaries were and measuring how they benefited in micro and macro terms. There was attention to institution building but again from the standpoint of delivering of services and the outreach of the institution. Much less interest in public administration programs and university development programs. Also, in the Near East context, less interest in primary education programs unless you were dealing with issues of women's participation in education in a Muslim environment. They really were the poorest.

Q: Why did primary education get such limited treatment?

LANGMAID: I can't recall the particular reason. We got diverted into a lot of women's issues because, by and large, women were denied access to primary education. There was also a problem that the earliest ones to work with were not necessarily the schools with the most problems. A lot of our work in primary education in the Middle East was school construction. It was much more difficult to get into curriculum issues at the primary school level. In the Middle East, religion, culture, and educational orientation were difficult issues.

Q: Were you getting girls into schools?

LANGMAID: We spent a lot of time working on that issue and had modest success. We had targets for participants that were largely met. In Afghanistan, we made a major effort. We built dormitories for girls. There was a cultural problem. If a girl leaves home and lives by herself, she is considered to be a prostitute. We had to create an environment where it was culturally acceptable to go away to school.

Q: What were the major sectors of interest?

LANGMAID: Agriculture and rural development was a priority. These are all agriculturally based economies. Aside from Egypt, they are all dry land with limited irrigation countries. There was good political support in the States for working on these issues. The land grant universities had major programs in all these countries. We spent a lot of money on ag research, which was also a problem because it was not directly helping the poorest of the poor. The farmer you worked with had to be the poor farmer, not the rich farmer. That meant dry land agriculture and livestock. These are tough issues.

Q: What about population?

LANGMAID: Yes. There were population programs in all of these countries. They were largely delivering contraceptives, although some of them worked on maternal health. There were a lot of cultural problems, so progress was slow in the Middle East area.

Q: It was a time when human rights was being emphasized, wasn't it?

LANGMAID: Yes, but because of the political priority for these countries that was not a major issue. State spent considerable time trying to sanitize the annual reports because they didn't want nasty things said about their political priorities. But, we did not spend a lot of time on this issue.

Q: It didn't interfere with your program?

LANGMAID: No. I can't remember any country having its program curtailed as a result of human rights.

Q: What about the health area?

LANGMAID: We had health programs in most of the countries. Pakistan had a major health/population program. We worked in Turkey at Hacettepe University, in Jordan on maternal health issues. We were planning a major program in Afghanistan when we had to close the program. I don't think the programs we had were uniquely different than in other parts of the world. We gave vaccinations and later worked on oral rehydration therapy. We provided through PVOs. There were programs to build health ministries and the capacity to manage health resources. The population programs focused on the capacity to deliver contraceptives and maternal health services. They were traditional programs, but I do not mean that negatively. They were approaches that worked. Getting anything in this area in a Muslim environment was a real challenge. Over the years, the population staff put a lot of money into infrastructure and demographics. They built a solid base of what worked. My perspective based on both the years in Near East and those in S&T is that the population program is the best run technical assistance program in the Agency. They did it right by building the analytical capacity, the infrastructure, and a strong staff. They dealt with the important management issues as well as commodity issues. If you want to step back and ask what organizational approach and technical capacity worked the best, there is no doubt in my mind that it is AID's population staff. We had population programs in all the countries. The only exception may have been Yemen, but even there we worked on breast feeding and a few other things that were laying the groundwork for population activities.

I remember a tour of health clinics with Joe Wheeler in Pakistan and going into a beautiful building which we built with counterpart funds. There was a resident health technician there, but there were no patients, no medications. The classic health problem has always been how do you get the medical care to the customer, the patients. Simply training a person and building him a building to dispense medications is not worth much if there is no supply system and effective demand for services. The population staff understood this dynamic. It took the health folks a little while to build it into their programs.

Q: We'll come back to this later on. I guess while you were in DP you had to deal with Congress a lot. What was your experience in dealing with Congress?

LANGMAID: No one can say it is good. For part of this time, Bob Nooter was the

Assistant Administrator. Bob was a very, very tough taskmaster, but he understood Congress. He was an excellent witness and a great teacher.

DP did most of his congressional work. He oversaw the production of the CP, wrote his testimony and backstopped him at the witness table and with questions and answers, the whole process. He was the best witness I ever saw. He spent a lot of time thinking through what were the issues that he ought to be able to answer. He knew the answers to these cold. A Congressman could catch him on a minute technical question but never on a key issue. He had thought through the witness process and delivered testimony very, very well. It was a great training experience. We dealt primarily with Congressman Hamilton and the Near East/Europe Sub-Committee of the House Foreign Affairs Committee. Mike Van Dusen was his committee staff director throughout this time. They are both very professional, very skilled, but also honest folks. Congressman Hamilton asked the questions he ought to ask and he expected straight answers. Mike was excellent to work with. I worked with all the committees, but the Hamilton Committee was the most active and consistently substantive. We had a good working relationship with that committee. In later years, they gave us holy hell on Egyptian pipeline kinds of questions, but it was a legitimate issue for them to take on. The working relationship with the appropriations was more difficult. We spent more time on project minutia and in some respects the relationship was more political. Aside from the level of work associated with the congressional process, I enjoyed the relationship with Congress. I feel that is an important part of the aid business. When we shared the objective of making a better aid program, it is well worth the time. When there are other agendas at work, it is less fun.

Q: You didn't find that always the case?

LANGMAID: No, not always. There were those in Congress who had other motives and weren't really interested in AID or development other than using it to pursue some other interest. There were also those in Congress with one kind of program, a specific project or particular contract. In the Near East, we seemed to have a large number of these kinds of programs. There were those whose only interest was the Cyprus program and those who only came to discuss a particular ASHA project in Israel.

The organization of binational centers

One of the things I worked on during this period was assistance completion. One of the instruments we developed was a binational center to facilitate the transition. We designed the Portugal program to be truly a joint program, along the lines of the servicio programs years ago. When we phased out the mission in Portugal, the center that had been created on the Portugese side to be our counterpart took over almost all program design and management. In the Portugese case, the former AID director became the director of this Portugese institution. When we started an ESF program in Oman, we had no USAID. We created an Omani Commission to play the same role. It was designed to facilitate phase one of the program to Omani management when our time limited funding was finished.

Q: Elaborate a little more on these structures. What are we talking about?

LANGMAID: These were assistance completion tools. An organizational structure to facilitate host country assumption of program control while we were still there to help. In the Portuguese case, our counterpart was the Ministry of Finance. The staff that was in the AID mission was picked up by a new office in the Ministry. We put the money basically into a long term technical assistance grant instrument which they could draw on over several years as a phase out. We had an ongoing TA program and a small project pipeline. There was continued TA associated with the Azores Base Agreement. We dumped all this into a long term technical assistance grant and then turned that over to this joint commission. However, it was no longer joint. It was now Portuguese. This was ESF and was more flexible than DA funds.

Q: We were not involved in it?

LANGMAID: No, we were not. The Portuguese hired a former AID mission director as the director of the joint commission.

Q: The ambassador was not represented?

LANGMAID: The board of directors was the ambassador and the Minister of Finance for this institution, but the day-to-day operations was by an executive assistant. The Director of the executive secretariat for at least two or three years afterward was an American. I am not sure what they are doing now. Let's face it, once the AID money goes down and the counterpart generation ends, one could assume this institution would die of its own free will.

Q: Like a foundation?

LANGMAID: Yes, very much like a foundation. There was not an endowment in the nominal sense. The one in Oman was similar. Oman was purely a base related program. It was \$10 million treaty derived level in a binational agreement between us and the Omanis. The question was what organizational structure do you set up to spend the money. We set up a joint commission where the AID Mission Director and the Deputy Director of Treasury were the joint directors. They had a common staff. It worked reasonably well. The money was all spent on development. When the agreement ended, I assume the institutional structure ended. However, there was much more Omani ownership and involvement than I think is found in the classic AID mission relationship.

In Israel, we had more of a foundation model. In Israel, there were a number of binational centers which were technically focused, specialized in certain areas. There were three, all of which had a joint board of directors. They were largely funded out of PL 480 repayments. We eventually used the PL 480 debt to endow these centers. It was fun. It was a chance to be creative and innovative. It was apart from the major DP functions. I had more room to maneuver. It was breaking new territory and there were not many rules.

Looking back over that period, it was discouraging to see how much of my time was spent on process, basically doing the same thing over and over again. Every time a new political appointee came in or a new administrator came in, we would have to start from scratch educating this person and redoing the process. Much of the load for this falls on a DP office. The process in AID now is not any better than it was in 1962. But a huge amount of staff time has been spent tinkering with it and renaming its parts.

Promotion to Deputy Assistant Administrator for Near East/South Asia - 1979

When Peter McPherson came in as AID Administrator, he appointed Tony Ford as Assistant Administrator, a political appointee who had no background on AID business. Her career had been spent at General Motors as a vice president. Al White was the deputy. He agreed to ease the transition but did not want another full tour as Deputy. The practice at that time was that the deputies were careerists. I do not know all the choices he had, but he finally offered me the position.

I was the deputy from 1979-1980 until about 1988 when the Bureau was dissolved. When I started, Toni had not been confirmed, so I was acting AA and acting deputy AA.

Q: What year was this?

LANGMAID: This was 1979-1980 in the Near East Bureau. This was the period of Peter McPherson as Administrator. The transition of administrations are never easy. This one promised to be especially difficult. White had decided he did not want to go through another transition. He had indicated his intention to leave as soon as a new team was in place. That was when I moved from DP chief into the deputy AA position.

Q: There was only one deputy?

LANGMAID: Yes, only one deputy. The Near East had always had only one.

Q: What was the scope of the bureau at that time?

LANGMAID: At this point, Peter had taken the Asia part out of the Bureau and recreated the Asia Bureau, which included the Indian subcontinent and the previous Far East Bureau. Charlie Greenleaf had come in to manage that. We had the Middle East programs and were matched with State's NEA Bureau, except we had North Africa and Europe. The European programs involved Poland, Portugal, Spain, and Cyprus, and the earthquake relief program in Italy. The North African programs were Tunisia and Morocco with a little bit in Algeria. The Middle East programs were Israel, Egypt, Syria, Jordan, Lebanon, Oman, Turkey, Yemen, etc.

During much of my tenure, we had 14 field programs, 10 field officers, \$2.6 billion in annual program obligations, and about a \$4.6 billion obligated pipeline. There was also substantial PL 480 Title I and II and also ASHA.

Q: That was mainly Egypt?

LANGMAID: Egypt and Israel. Of the \$2.6 billion in annual program, \$1.6 billion would have been in Egypt and Israel. It was an ESF, security assistance programs, but with important DA programs in Morocco, Tunisia, and Yemen. There were also bits and pieces elsewhere. Each had their own unique history and constituency. They required more time than their dollar value would indicate.

Q: Let's talk a little bit about the transition. What was the reaction to what was going on with the new administration?

LANGMAID: Transition is always traumatic, particularly so when there is a change in party. Even the career staff is suspect and the learning and team building process is painful. Peter McPherson was the new administrator. He knew the agency and wanted the job. He had to some degree a game plan for the job. I don't think we knew at the time the degree to which he intended to run even the nuts and bolts of the agency. He consumed everything in sight in terms of reading materials. Almost all substantive actions went to him. As a Bureau deputy, you could easily expect to get two or three calls from Peter a day on programmatic matters. Given his personal style, if you didn't know the answers to those questions, he would hang up and go find someone else who did. It kept you on your toes in the sense of being on top of the issues in your bureau. I think Peter also intended to run the bureau through the career staff. He understood the Agency and its career staff better than his political appointees did when he came in. Some of the appointees had management skills and some of them may have had political skill. They were a part of the Administrator's political system, not necessarily a key part of his internal management system. He recognized that if you want to get things done, you deal with the career staff. So, from the career staff standpoint, I think it put you in a better stead than might otherwise be the case. If you could keep up with Peter, you could get things done.

This was the period when John Bolton was rewriting the policy papers to make them more "Republican." John Bolton was head of the PPC at that time. He was very skilled with a strong ideology. He wanted a policy that was very private sector friendly and opposed to government programs. Peter wanted to be an affairs person and the right hand of the Secretary. He realized an ESF program needed to be more programmatic. We were doing a lot of private enterprise, large capital projects in the private sector anyhow. We did have some issues on public enterprises in Egypt and Israel. If we had been in a DA program, John would have gotten those programs stopped.

The process of a transition is always painful because you go through a stage where the political appointees think they know everything and assume the enemy is in the career service. This group was particularly concerned if there were buried Democrats somewhere down in the career service. This is not a Republican issue. You just have to work your way through "transition" periods.

As an example, there was Peter's famous rubber check episode. He sent Tom Reynolds, his management AA, around to find funds to deobligate because he wanted to give the

President back some money as a political gesture. We were expected to come up with a lot of money but this created some headaches for Peter. We told Tom when he came around that some of the funds could not be legally deobligated, but this was the stage where they weren't prepared to listen to the professional staff. He tried to deobligate some no-year money and that is illegal. Peter had the Rose Garden ceremony and then rewrote the check when they found out it included funds that could not be deobligated. It was good that they stumbled. Slowly, they began to realize that the career staff was really there to help.

Q: Remember the four pillars? Were you associated with it?

LANGMAID: Yes, we re-labeled everything so that it fit the four pillars. However, it did require a higher degree of program concentration. Egypt was a real problem. When you are trying to stuff \$750 million into an economy that probably can use \$50 million effectively and when you are told by the ambassador that you can only have a 10 person field staff, there are going to be headaches. Peter realized that and he was frankly more interested in finding effective ways to spend the money than holding to an internal management philosophy. He could not be that dogmatic in his most important political program. In Egypt, Syria, or Jordan, the exception was more the rule.

A focus on the USAID program in Egypt - 1979-1980

Q: Let's take some of the countries. Take the big ones first and start off with whichever one you like.

LANGMAID: The Bureau to a certain extent became the Egypt Bureau due to the amount of time you had to spend on it and the size of the staff involved. There were a lot of people who did not want to work with Egypt or similar programs. They wanted to work on development and from their perspective this was not development.

Q: Give us a little background on the Egypt situation.

LANGMAID: Egypt was a socialist public sector economy. Almost everything was heavily subsidized. Egypt had been dependent on foreign aid for a long time by the Soviets and other Arabs. President Mubarak had been Nasser's aid negotiator among other things. He would come up with a shopping list from which he would check off items. He might have on his list x thousand tons of corn and wheat and so many gallons of vegetable oil, etc. and with no interest in changing. When I became the Bureau Deputy, Bill had a 10 person staff and the ambassador wouldn't let him have any more people. However, we had to do project assistance as Congress opposed cash transfers and large levels of balance of payments assistance. It was close to an impossible situation as you can't do viable projects with no staff.

Q: This would have been when?

LANGMAID: This would have been 1979-1980, I think.

Q: But, the program was in existence when you arrived?

LANGMAID: Yes, there was a program that was about two years old. When you have to obligate a \$750 million program with little staff you have few choices. You can provide cash grants, because that requires no staff. You can do program assistance, which requires some staff. And you do the large projects. We did not have the staff even with a lot of TDY support to do normal project preparation and design. So you ended up writing project papers that have everything of substance as a condition preceding disbursement. Basically, that was what was done. Projects were written around an idea and put in a generic format. All the substantive analysis, decision work, self help, and host country role became a phased set of covenants and conditions precedent.

Q: Put the issues up.

LANGMAID: Yes. The project papers were 15 pages long for \$200 million. You also staggered disbursements or had project stages with subsequent disbursements conditioned on a given performance level. As you can imagine, we build up a very large pipeline with virtually no disbursements. Because the funds were earmarked, it would have been illegal not to obligate the appropriation.

Q: How much was that?

LANGMAID: \$750 million. The period I was there the Egypt program was \$750 million with \$100-130 million in PL 480 Title I. The Israeli program was \$785 million. This was looked at as a sacrosanct ratio between the two. This was part of the Camp David Accords. The Egyptians saw the money as something they were owed because they had signed a peace treaty, which, of course, had nothing to do with development. They wanted cash as in some respects our aid substituted for the Arabs' aid that had been terminated when Egypt signed the accords. Egypt did not like projects and all the conditions and did not like the low disbursements.

Q: Why didn't we give them a cash grant?

LANGMAID: I can not speak for the original decision on program composition. I can only suspect that those who made the original decision knew full well that the Egyptians were going to do enough stupid things with their economy that they couldn't sustain the program politically in the U.S. context if there wasn't a development component to it. They were probably right because over time there was more focus on the program's development results. Congressman Hamilton wrote into the authorization language which said even though this is ESF money, it must be administered as if it were DA money. So, there was even legislative pressure to use the money for valid development purposes. As you can imagine, there was a lot of tension in the development relationship.

Even balance of payments assistance was a problem. The public sector was so dominant in the economy that it was too small to use the CIP level. The public sector enterprises

were not familiar with competitive bidding and many were intimately linked with military production, which was a major problem. There were also ministries which frankly were still communist. In early years, we didn't go near the education ministry and the university system because of their communist orientation. Later, we did some work in education. But it was always a relatively small part of the total. I always regretted this. If one looked at those things Egyptians valued highly and which had been damaged by the absence of any real outside relationships for 20 or 30 years, education was near the top of the list. We could have put up a lot of money in education, both primary and secondary education. Egyptians were happy to work on girls in schools kinds of issues. The university system, which had considerable prestige in the Arab world, was anxious to reestablish its relations with U.S. academia. A major investment in education could have had important political and development benefits. So, we went looking for other areas to invest our funds. The agricultural system was an obvious choice but was so screwed up it was hard to find viable projects. You could do canal repair and maintenance and agricultural research, but most crop work ran head into major price distortions. Egypt had a price support

program which was totally untenable. The Egyptians at one time were a significant exporter of oil. But they priced domestic energy so cheaply that the domestic economy consumed all that export oil. At one time, bread was so cheap it was used as animal feed. As you can imagine, this price of energy led the Egyptians into grandiose plans to pump Nile water up into the desert.

These are the kinds of issues you tried to work through.

Q: What kind of projects did you have the first years?

LANGMAID: During the early years, a lot of the money went for reconstruction. Most of Egypt's core infrastructure needed major repairs. We repaired and dredged the Suez Canal. We rebuilt power plants in the Suez Canal area that had been damaged. We did some building in the Sinai. We did some power plant rebuilding in other parts of Egypt. We put a lot of technical assistance money into long term projects in agriculture, although we didn't disburse much the first few years. We also rebuilt the turbines at the Aswan Dam. The Russian turbines were wearing out and there were some interesting problems technically. We did some road work. The road system was pretty good, although pretty deteriorated. It was in need of repair rather than new construction. We did do some road construction to the Suez Canal area and through the Sinai. The Egyptians were very interested in building infrastructure, although not always happy with our project procedures and policy agenda.

The largest capital project program was the \$1 billion we pledged to repair and expand the water and sewage systems for Cairo, Alexandria, and other cities. This came later in the program. In the end, we put well over a billion dollars into water and waste water treatment activities.

Q: Did you have to deal with a subsidy issue there, too?

LANGMAID: We had to deal with them in almost all of the areas in which we worked. What we wanted to deal with was the pricing of water and water treatment. All we sought was cost recovery for maintenance and to reduce waste. But in a Muslim environment water is from God and you can't charge for it. The people who benefitted from the subsidy were those with piped water and sewer service to their homes. These were the rich. The poor areas had to buy their water off the back of mules and were paying 10 times what the rich were paying for water. You had to do a lot of education with the Egyptians before they realized how bad the situation was. The engineers estimate that 40% of the clean water was wasted by leaks and taps on all the time. Some of the main lines were good and dated to the British period.

Not only are you losing water, but you are losing pressure, which means you are contaminating clean water. One of the biggest problems we had when we started renovating and cleaning sewer lines was the dead camels stuffed down the sewer pipes.

I am getting a little ahead of myself because the water program came later. Well, I might as well cover it now. Peter McPherson made a major trip to Egypt in the mid-1980s. I think he had reached the judgement that the program needed some kind of large initiative which had political and developmental significance. We had a program review with the mission when Peter arrived. They had been alerted to his interest and were prepared to go through the major options. Water/waste water was touched on, but there were major substantive issues. There were management problems involved with the various ministries and authorities who would do the project. There were major policy issues. But, you could easily spend \$200/\$300 million a year on major construction activity which would benefit a large portion of the Egyptian people. There had been major flooding problems where sewers had backed up and flooded large areas of the Cairo slums. Consequently, the Egyptians were sensitive to an emerging problem. After he had heard of all the project alternatives, Peter said, "Let's spend a billion dollars on water/waste water." Peter made that pledge to President Mubarak later in his visit and we were off on the largest program we had undertaken.

Q: This should have been popular on the Hill, I guess.

LANGMAID: Peter's political and foreign affairs instincts were correct. This program had initial and, I think, continuing appeal. However, translating a billion dollar commitment into sound capital projects was very difficult. The management and engineering problems were tremendous. A major area of contention with the Egyptians and with the mission was the policy agenda associated with the program. AID/Washington, sitting furthest from the scene, tended to feel that there should be major policy improvements, that you couldn't invest that much in water and waste water without pricing the service to recover some costs and providing some negative consequences to people wasting water. The Mission knew the difficulties of dealing with all the ministries on this project and the political problems of changing the price of water and charging for sewage, so the policy agenda was less important. Of course, the Egyptians only heard the offer of a billion dollars to fix their water system and didn't

appreciate the policy issues. Those issues nagged us all the time I was Deputy. There was a continual tension in the relationship with the Mission and the Egyptians. Of course, the GAO and the Congress got involved also.

Q: How much were you constrained by local context - the ambassador, etc.?

LANGMAID: Ambassador Eilts was a problem because he did not understand AID. The subsequent ambassadors were fine, and helpful when they could be. Of course, it was a continuing negotiation with the embassy political and economic officers. I won't say that they had objections to the policies as long as they didn't get the Egyptians riled, but they certainly didn't want the Egyptians coming to them asking why AID was not disbursing money. There were those in the U.S. bureaucracy who thought the policy agenda was a very low priority. Their attitude was that as long as the peace process was in place, Egypt should get its money with minimal strings. The Hill was also actively involved. Most committees were heavily pro-Israel. They appreciated what Egypt had done, but were suspicious. They could explain aid to Israel to their constituency but aid to Egypt was more difficult. Aid to Egypt had to be developmentally beneficial also. This eventually was written into the legislation governing the Egypt program.

The AID Washington pressure was to reduce the aid levels. Few thought the level for Egypt had developmental merit and at the margin these high levels did reduce DA availabilities. With a fence around the Middle East program, any overall cuts were taken elsewhere. So, we were constantly sniping at the State Department's and Egypt's heels to find a way to reduce the funds. We made no progress on dollar levels. We did make progress on the PL 480 program. The Title II came down considerably. It had been \$40-50 million at one time and Title I also came down. We brought the Title I from \$150 million down to around \$90 million. We eventually dropped the vegetable oil component and some of the grains. The component was sacrosanct in terms of tonnage because of the Egyptian bread subsidy. Bread sold in the market at less than five cents a loaf. Bread was so cheap it was used for cattle feed. It was cheaper than the cost of the energy to bake it.

During this period, Peter met with Secretary of State Shultz to brief him on the Egyptian economy in preparation for President Mubarak's visit. The Secretary was an excellent economist. The first point that Peter made in the presentation was that Egypt was pricing energy in the economy at about one-quarter of the world market price. The Secretary said, "You can't succeed with an economy like that." Now, did that lead Shultz to pressure an economic policy agenda? No. Did it make him more sympathetic to some of the issues we were working on? Probably.

Q: Did he raise it with Mubarak?

LANGMAID: Yes, the issues did get raised during state visits. I staffed four or five state visits. The principals met with the President and a cabinet level group met concurrently. Then at my level other groups met. Peter frequently went to the cabinet level meetings. Economic policy issues were on the agenda and were discussed. They weren't discussed to conclusion, however. The closest we ever came to a conclusion was once during this

process we negotiated what was called a "Memorandum of Understanding." The Egyptians wanted to talk about future aid levels. We wanted to talk about the policy changes to be undertaken in consideration of this money. We would supply language that would link the two and they would supply language separating the two. Of course, the lawyers did not want us to signify that that would commit money. We finally developed a document which both could live with which had our policy discussion and their program interest in it. It was used for several years as a basis for additional discussions. This was a long, tedious process.

Q: Did they ever see the merit to the policy issues that you were raising?

LANGMAID: They understood the merits of the policy issues but also understood the demerits of the political environment. Dismantling a controlled economy is risky. There were food riots and other political tensions during this period. My personal judgement is that some were staged to justify the aid. You could almost predict that if the Israelis staged something to reenforce their claims for additional assistance from the United States, within a couple of weeks, the Egyptians would find a pretext to reenforce in the public mind the importance of Egypt to the peace agreement. You could almost write the dates on the calendar.

This was a tough program to work on and there was little credit in or outside the Agency. You earned your money during this period. There were some good programs. There were some interesting things that were done. One of the interesting ones was a large program of development decentralization. Basically, small public works that worked through local institutions and authorities.

Q: This was the rural development initiative?

LANGMAID: Yes, although Egypt is largely small towns and cities. It is hard to think of rural development in Egyptian context because there were 18 cities in the Nile delta alone with populations of over a million people. The provincial governors were reasonably independent on a lot of issues and there was a democratically elected village structure. We worked with these institutions. We provided training and small capital funds. Some activity was quasi public service such as bus service, village markets, etc. This was done with the Ministry of Village Affairs and the local democratically elected leadership.

Eventually, we did some interesting work in higher education, university activities where Egyptians and Americans collaborated. There was also an interesting school construction program to attract women into the school system. The Minister of Agriculture was one of the more able and enlightened of the ministers. He was a very close friend of President Mubarak. He was free to run his own program and prepared to tackle policy issues. We had a large agriculture program. We did get the price of wheat raised and the prices of other grains priced in line with wheat. Things were not perfect, but he recognized that if you want to increase production, the price needs to be competitive. The farmers were no fools. If the price of wheat was held low, they would grow something else. At one point, most of the grain production was in corn, a feed grain which was not price controlled and

used for a hog and cattle industry that feeds the tourist industry.

Q: Were there any irrigation projects?

LANGMAID: We had large programs for irrigation repair. We did the large scale irrigation repair because the control structures had deteriorated, but the farmer systems were there. We tended to stay away from new irrigation, as this raised major policy issues. Egypt had a very grandiose scheme to make the desert bloom, pumping water to the desert in huge new irrigation programs. Of course, the real cost of energy to pump the water was worth more than the produce they would grow on it and they priced the water at zero. They had American companies who wanted to run these schemes for a service fee and limited quantity. They seemed to assume the U.S. would bail them out if the programs failed. We were largely successful in staying away from the new irrigation schemes.

Q: What about the private sector? That was the big thing with the administration at that time?

LANGMAID: We did all the classic things. We did large private sector projects, some privatization of public companies and small business loans. We restructured the CIP to make it attractive to private sector exporters and importers. We worked with a number of large private sector firms. In terms of dollar amounts, you can't disburse large amounts through development banking institutions for small scale enterprises. It is too staff intensive. There were large conglomerates that had been privatized at some point. They weren't much different, frankly, than the public sector as they required substantial protection to operate. At the other extreme, there was the village tradesman, the guy who was repairing shoes, selling tomatoes, etc. In the early days, there wasn't very much in between. We had good programs for small business, but if you can put \$50 million a year in them you were doing well with the limits on our staff resources. We had to look for \$100 million a year programs, if we were to effectively obligate the earmarked aid level.

As I said earlier, we did a fair amount throughout the CIP for the private sector. But, frankly, CIP dollars with all the in rules and regulations and paperwork were not attractive to efficient producers who had to compete.

Q: What do you mean by that?

LANGMAID: The real value of a CIP dollar is much less because with it come all the rules and regulations. Regulation 1, which governed the CIP, was book-length.

Q: For a private person.

LANGMAID: Right. You had to use only U.S. sources, only U.S. shipping, which was much more costly. You had to use competitive bidding procedures even if you had an established business relationship. You were also open to claims if you did not follow the letter of the procedures. This did not make a lot of sense in an economy which had

bought most of its imports from Europe for years. The two markets, U.S. and Egyptian, did not know each other. Frankly, there wasn't much interest for changing or waiving these procedures. Congress felt it needed to show an increase in U.S. exports to Egypt coming from the programs.

The mission eventually grew to around 134 direct hire, which in those days was a large mission. It was small compared to some of the earlier ones, but in post-Vietnam war era when you are talking about U.S. direct hire, that was a large mission. It was managing \$750 million a year and a pipeline which never fell below \$2 billion. You simply cannot do a "new direction" or small TA program with these constraints. You can do forward-funding but that just prolongs the inevitable.

Q: Dealing with AID procedures was difficult.

LANGMAID: Tough. We didn't get any real policy or procedure. We had some special authorities, but used them sparingly. Most of the rules were there to protect you in some fashion, especially the competitive bidding procedures. We could use some of the rules to keep the Egyptians from doing things that from our vantage were imprudent or unethical. Over John Bolton's objection, Peter made an ESF exception in some of the policy papers on privatization. But we still spent considerable time arguing over policy issues. The mission felt they were pushing a policy agenda as aggressively as possible, PPC felt it was far too little.

Q: What would you say were the major impediments to implementing these programs?

LANGMAID: We had far too much money to spend given the staff we had, the competence of the Egyptians, and the economic environment in which we worked. Our Egyptian counterparts were totally unfamiliar with AID procedures. In the early years, they resented the steps they had to go through to get "their" money. They were learning. In terms of technical competence and managerial competence, Egypt was a developing country. They had been isolated from the West since 1967. It was a controlled socialist economy with a public sector where your power structures were built around your individual ministry and institutions. Projects like the water/waste water program required five different ministries to work together. That was not the way they operated. In addition, the Governors were separate from the Ministries. The Governors were appointed by the president. They were not elected. Each Governorate had its own technical aid program staff separate from the national ministries. Public sector salaries were so low that most, including ministers, moonlighted in several other jobs. If you negotiated with the Minister of Irrigation, for example, and then you had to negotiate with the governor of the province you were working in, or the Egyptians had to do the negotiations, and then you had to deal with the local mayor who was usually elected in some fashion. When you are putting more money in this economy than the economy can effectively absorb, and have all the classic problems of a developing country as well as the political overhang of a socialist state, it is hard to make progress.

Q: So, the pipeline was a chronic issue, I guess.

LANGMAID: The pipeline was a chronic issue, but in all honesty, it became an issue largely because the sums were so large. Those who wanted to harp at the program on the Hill could say, "Why are we giving them more money when they still haven't used the money we gave them?" But, in fact, given the level of annual obligations, our pipeline was well in line with the Agency average. It averaged about \$2 billion, which is less than three years' annual obligation. When you take into account the pipeline buildup in the early years and the legal requirement to fully fund all capital projects, it is remarkable the pipeline was not larger. When we build a cement plant, that takes five years and you are required by the FAA to put up all five years of money in the first year. The Mission never got the audit it deserved for the level of disbursements it achieved. The pipeline was an easy target for those who had other reasons to criticize the program.

Q: Were there some cash transfers?

LANGMAID: In the early years, there was a small cash transfer, but it was related to reconstruction and ended in a few years.

The Egyptians also became quite sensitive to the pipeline issues as they felt they were not getting "their" aid. There was pressure by the Egyptians as they realized this to take money out of the water/waste water pipeline or other obligated projects and use it for a cash grant or more CIP.

Q: What about the health population area?

LANGMAID: There was a large population program throughout most of this period.

Q: Was it well accepted?

LANGMAID: Yes.

Q: Government or private?

LANGMAID: Government and private. A number of private organizations were involved in it. We also had a big child survival program. The ORT (Oral Rehydration Therapy) component was one of the most successful in the Agency. The results of the work in Egypt helped popularize the program for the rest of the Agency.

Q: What do you mean by successful?

LANGMAID: The infant mortality rate in the program area was brought down from somewhere around 140 per 1,000 down to about 60 per 1,000 over a three or four year period.

Q: Because of our program?

LANGMAID: Yes. The ORT was a major success. Children were dying from diarrhea because of the water and sewage situations. There were some awful parts of Egypt where water was scarce and used several times for a variety of purposes. We had funds to do the baseline studies right, enough money to do the evaluation right. We had pretty good data on what was going on. We could monitor the clinics and afford to bring researchers out to study the effects. In that sense, some of the early legitimate public successes of ORT came out of Egyptian examples because we frankly had the money to do it right and document it. Peter had visited some of the clinics and this had made him a real convert.

Q: The Minister of Health was reasonably competent in handling it?

LANGMAID: Yes. There was nothing out of the ordinary that comes to mind like the difficulties we had in the early days with the Ministry of Education.

Q: There wasn't any cultural resistance to population programs?

LANGMAID: No. Nothing more than you would expect in a Muslim society. It wasn't like Afghanistan, where you couldn't even talk about the issue. The Egyptian leadership knew they had a horrendous population problem. One of the things we could do for them was to provide them with the economic analytical tools and data collection to look at their own issues, which we did. We didn't spend large amounts of money on foreign advisors, but we spent money on building infrastructure, training people in census and doing sample surveys and all the analytical underpinnings you need to understand what is in fact happening. One of the most obvious ones is what you are going to do when you have x million new mouths to feed every year, and x number of children going into school? We could develop that data for them. The resource implications of these trends were staggering.

Q: This was the RAPIDS presentation type of thing (Statistical presentations on the impact of population growth on development sectors)?

LANGMAID: Yes. We used this approach in several program areas, not just in population. We had some very early aerial photography of Egypt which we augmented with satellite imagery to show what was happening to the urban areas over time. It was frightening. At the rate they were urbanizing the delta, the delta would be asphalt by the year 2010. At this time, there were already 18 cities in the delta with over one million people in each. We had five year time lapse photographs. You would see graphically two towns and a road between and then you see one large town. The roads would connect them and soon you would see a city. There was the money in Egypt to do these kinds of things, which we didn't have in other programs. We benefited from the analytical insights we developed in Egypt because we could spend money on the right studies, studies we should have done in other countries, but did not have the reserves.

Q: Were there other significant projects?

LANGMAID: Those were the ones that come to mind. For the first two or three years,

the portfolio was at least one-third reconstruction. And then it moved into more developmental activities. The Mission had its ideas of program priorities and we had ideas but the program was largely governed by "where could you spend the money." You wanted to spend it sensibly. Obviously, there were audit concerns, but you also wanted to spend it to get development. Congress was increasingly anxious to demonstrate this was a development program. Congressman Hamilton was the principal interlocutor in the Congress on these kinds of questions. He always took you through the paces. You feed this to the missions, who could feed it back to the Egyptians as support for the policy dialogue. Peter was very sensitive to the need to have a strong developmental program. But, by the same token, he didn't want to be called on the carpet by the Secretary of State for not being responsive to the political priorities. It was the classic long-term versus short-term dilemma. Most often short term political expediency prevailed.

Q: Did you ever get to that point where there was a slap on the knuckles from the ambassador or the Secretary of State for getting too pushy?

LANGMAID: No, I cannot recall any times. In part, Secretary Shultz understood our issues. I think the Secretary appreciated Peter taking an aggressive stance on the economic policy questions. He wanted to have the benefit of divergent views. We didn't always get what we wanted. We frequently had OMB on our side on some of the policy questions, which made State a little more responsive. In the later years, we had a great ambassador in Roy Atherton. He was extremely skilled and smooth. He knew their economy was a mess, but he also knew only so much could be done. We had Atherton back as Assistant Secretary and then he was followed by Nick Veliotis as the Assistant Secretary. They were very different but equally able and a pleasure to work with even when we disagreed. We had more problems one layer down in State at the country director and staff level. They were more sensitive to the embassy staff, calling them on the phone saying those AID folks are doing a, b, and c. They also got into more of the details of the program.

Q: What about the relations between the Bureau and the Mission? When it began it sounded like most of the work was being done in Washington, but as the Mission grew how did that relationship evolve?

LANGMAID: In the early years, most of the work was done by TDY teams. While this declined in later years, it remained important because there was never enough technical staff. My recollection is that the transition was on policy issues. You had Washington pushing more vigorously on policy reform, on projectizing versus CIP, on CIP versus cash transfer. The Mission had to deal with their reality which was an embassy which didn't want to have Egyptian ministers complaining about AID all the time and an Egyptian bureaucracy which had a very, very fundamentally different view of how this money should be used. Their experience was in dealing with the Russians. Their attitude seemed to be "A deal is a deal. Give us the money. What is all this bureaucratic nonsense? Why should we talk to you about policy? Why are you trying to bring down our government by increasing the price of bread?"

I think for probably three-quarters of the time, the tension was healthy. It was part of a negotiating process. There were times when it wasn't. We were probably unreasonable at times and the Mission didn't always do what it could have done on some issues. Don Brown was Mission Director for much of this period. Don is an old pro and knew his way around these kinds of issues. During this period, we had a very skilled capital projects team in Washington, which I think worked reasonably well with the field. We had a high priority from Peter on getting quality staff. When the decision was made to increase staff, Peter went out of his way to make sure we had good people. We had excellent people. But it was not easy. Many did not want to work in Egypt because "it was not development." Also, senior staff wanted to be mission directors in small countries rather than office directors in Egypt.

For example, we had an Ag Division bigger than any other mission in the Agency with a \$100 million a year program, a \$300 million in pipeline, and a \$150 million in PL 480. You needed someone who can deal at the ministerial level on policy issues and manage the portfolio. Most senior staff would rather be a mission director than the Egypt ag chief. We had a problem attracting and keeping the quality people because the promotion and assignment precepts never valued adequately service in Egypt. We were continually fighting this problem. Don quite rightly argued, and he got the embassy to come in behind him, that the best people the Agency should work in Egypt, which was the bellwether in many respects for the agency. Peter, I think, understood that also. We did get good people, although we never got as many as we needed for a portfolio that size and the struggle was continuous. Also, as other missions found out themselves, as staff levels declined, the direct hire staff were too tied to their desks in the mission offices doing the paperwork and not out in the field where they wanted to be. Egypt became one of the most visible examples of contact staff taking on our program design and implementation functions.

At one point in time, the military program, which was about the same size as ours, had 8,000 contractors working in Egypt on various parts of the military program. In part, because of the way they funded contracts, they could hide them from OMB's personnel ceilings. They didn't appear as U.S. government employees. This was a period when OMB was very concerned with presence and count of our contractors in the ceilings. We were under continual pressure to bring the numbers of people down, which meant they became more and more paper pushers. If you are pushing papers, you are not out there doing policy dialogue and other kinds of things that are challenging. Word got around that Egypt was not a good place to work.

Q: One would think that a program of that scale over a period of years would have had an incredible impact on the Egyptian economy, society, etc. How do you get a sense of scale between what the overall Egyptian budget was or the situation was compared with what we were doing?

LANGMAID: I don't have the numbers with me in terms of the amount of aid as a percentage of their GNP or their foreign exchange earnings. It was a significant portion of their foreign exchange earnings, but less significant in terms of overall GNP, because

this is a good sized economy. For any one ministry, the program was a meaningful component of their budget. Certainly in terms of capital projects, of building new things, it was significant because Egypt had no savings to invest. It could not even cover the economies. We reopened the Suez Canal, rebuilt the Suez cities and other war damage. We kept the economy afloat and undertook major investments in power, agriculture, and infrastructure, which laid the framework for development. We trained a lot of Egyptians and gave them the ties with the West in education, research, and industry that they sought.

Q: What about primary and secondary?

LANGMAID: We did go into primary and secondary. We did a large scale school building program which was built around some school mapping to identify which geographical parts of the Egyptian school system were not servicing their children. In particular, which were not servicing women. This planning was used to site the new school construction. That was a good program. We could move \$30-40 million a year in low cost local construction. It impacted at the village level. We did not deal with curriculum issues or the training of teachers. We did some textbook production, but that had problems. I felt that, given the very strong desire on the part of the Egyptians to reopen their ties to the new technologies of the world, we should have done more in universities and in research. Egyptians felt they were the leaders of the Arab world at one time. They had been cut off from all this and they were incredibly out of date. They wanted to close this gap. You could have had a large program, very politically and substantively useful in training, and university and secondary school development. We did eventually move in these areas and a very large peace fellowship program which was a long-term leadership training program. Politically, this kind of program could have been sold up on the Hill. Over time, it would have lasting development impact and it could have used a good piece of the program money that way. It took time but pieces of this eventually came into place.

Q: Were there any efforts outside the health population area to get some figures on the impact of the entire program?

LANGMAID: Yes, in agriculture we did significantly increase grain production through the introduction of new farming practices and new technology. And, we got them to open up their farm pricing system. We increased fertilizer production and use. We also worked on credit issues and we put a fair amount of money into agriculture credit institutions. These were all documented. At the farmer level, production did increase. We were able to reduce PL 480 levels. We did work on truck gardening, fresh fruits and vegetables, which ended up as potential export crops also. I have not mentioned the power sector. There are classic capital projects which we can do pretty well. By the time I stopped working on the program, the installed generation capacity we had provided exceeded that of the Aswan Dam.

Q: I guess in your time we were not emphasizing much on decentralization and democratic institutions and programs of that sort?

LANGMAID: We did a little work with the Egyptian parliament and newspapers but not as much in democratic institutions as now defined. However, we had a very large Development Decentralization program, over \$500 million as I recall, working with local selected village institutions. We also had some programs working with provincial administrations.

Q: Were they involved in the selection of projects?

LANGMAID: Yes.

Q: We allowed them to participate?

LANGMAID: Oh, yes, very much so. This was at the village level. We wanted them to develop the capacity to manage small development activities from project proposals review through implementation. Some were totally public sector activities like village wells, schools, or community housing and some were more private sector such as bus lines and market, all relatively small scale. The Ministry of Village Affairs was a well run ministry. We worked with local banks to develop lending programs for these activities. We had a large technical assistance contract. It didn't require as much direct hire staff as might be expected. But, again, we had the contract for the analytical work that you normally need mission staff to do.

Q: Anything else you would like to mention about the program?

LANGMAID: I spent probably 60% of my time one way or another on Egypt. In terms of congressional testimony, most of that testimony went either to the new projects or the pipeline. In later years, the political tension with the Administration's support grew on the Hill for foreign aid was declining and the Congress was less even handed in dealing with Egypt. In this environment, the pipeline was a convenient target and became the center of our discussions with the Hill.

Q: Were there differences between the different committees or did you find them pretty much the same?

LANGMAID: I would say there were differences of degree but not direction. The in depth work was done by the House Foreign Affairs Committee and its Middle East Subcommittee. Throughout this period, we spent more time with the Hamilton committee and with Mike Van Dusen, the principal staff member of that committee. We had hearings with the appropriations committees. Their focus was more on individual projects of particular interest to them. This was the Jim Bond, Rick Collins, and Senator Inouye period. I spent a lot of time on Hawaiian projects. I had a separate file just dealing with Hawaii projects and their contractors. But the substantively serious work - the content of the program, what we were trying to accomplish, were you accomplishing it and where were things going - was with the House Foreign Affairs Committee. We frequently testified in tandem with the Secretary of State. What most senators and congressmen

wanted to talk about were the generalities. Where is the peace process, etc.? We got out several pages of questions and answers after the hearing. With the Hamilton Subcommittee, we would have one entire day each on Egypt and Israel and then a day on the rest of the programs. For all the other committees, it was an hour or two and out.

Q: What was your understanding of the relationship of the program to the peace process in the sense of facilitating or whatever?

LANGMAID: It was a price tag.

Q: Was it beneficial and effective in helping that peace process move along?

LANGMAID: Yes, it was. The Egyptians felt that as long as they were part of the peace process, as long as they had signed with the Israelis and were doing nothing overtly or publicly to undermine the accords, they were owed their \$750 million. I think in honesty they never did anything that would allow us to say they had broken the Accords. They came close, I think, from some public perceptions. From their perception, they were paying a very heavy price for seeking peace. During this period, the Saudis were providing considerable aid to the other "front line" states but none to Egypt. When Egypt signed the Accords, all the Arabs cut off their aid, which was larger than ours. So, from their perspective, not only were they losing money, but it was cash, not like our development aid. Each year, you had one more year of peace and one more year of \$750 million. Their attitude was as long as the peace process continues this is the price. Of course, this is the Israeli attitude also. That hasn't changed today.

In this period, the Egyptians were very sensitive to our "evenhandedness" If the Israelis got something, you could expect in a few days an Egyptian request for something comparable of financial benefit. During this period, the Israelis began to realize the amount of dollar appropriations from the Foreign Assistance Act had probably reached its limits. They were getting heat from other aid countries who were getting less because their amount was so large. So, they sought more subtle benefits, trade concessions, exceptions from restrictions, specially priced excess property, or special loan guarantees. For example, a new tank or plane was expensive in approximated dollars but one paid only 10 cents on the dollar if it came as excess property out of Army or Air National Reserve stocks. There were a lot of those kinds of games that went on during this period. The Egyptians would learn about them eventually and say, "If the Israelis are getting a binational center, or if they are getting debt forgiveness, we want the same." We were constantly in this kind of situation.

U.S. assistance to Israel

Q: All right, let's turn to Israel for a brief bit. While this aid was in the form of a cash transfer, were there any efforts to worry about the use of the funds or the policy connections or anything about what was happening to the Israeli economy?

LANGMAID: The process involved an annual economic review called a white paper

review, in which the Israelis would send us a paper describing the state of their economy, what they planned to do during the coming year to balance their economy, and why they wanted x amount of money. There was a senior group of economists from State, OMB, Federal Reserve, Treasury, CIA, etc., some of the best in the Federal Government, who worked on this review. Our Israeli desk officers worked on this staff group. There was a major commitment of analytical and computer resources.

Q: Mainly from State?

LANGMAID: No, from all foreign economic agents. The CIA provided the computer driven economic modeling. Rus Misheloff was our staff member. He spent nearly full time working on these issues. There were economists from State, OMB, and the Council of Economic Advisors. You are talking about a Federal Government economic team. All the concerned departments had someone involved in this process. It was a serious process. I was not deeply involved.

Q: Under whose leadership?

LANGMAID: My recollection is that the chairman of the Council of Economic Advisors directed the staff work. The Minister of Finance and the Central Bank President of Israel would come in at least once a year, once the staff level teams had met. They would have a range of private discussions with their counterparts. The White Papers always projected a need for aid at least twice our budget. We had to find the assumptions that led to increased need. Issues such as internal subsidy, devaluation, and defense expenditures were on the table. Another set of issues dealt with how much money was being spent on the West Bank and was this money being used to resettle the West Bank. Was there a conscious link between the aid level and these reviews? No, that was never raised. The relationship was more subtle.

Q: Do you think you had any influence on Israeli policy?

LANGMAID: Yes, although again it is hard to point to a specific amount. It had influence on things they didn't do. The convertibility of the shekel was a major focus of discussion. Domestic inflationary spending had almost immediate impact on the price of the shekel. This was a period of high inflation in Israel with almost all prices indexed. Expenditures on the West Bank were closely watched and frequently disbursed. This was also a "shell game" as these expenditures were hidden in unrelated budgets. To some degree, the White Paper discussions were reflected in our congressional testimony. The Hamilton Subcommittee was at one point characterized as the Knesset West because of the numbers of Jewish congressmen on the Committee. Nevertheless, Chairman Hamilton handled it very skillfully. The state of the Israeli economy and Israeli aid need had a requests hearing which gave people a chance to create a public record and raise issues. It was the gentlest public policy dialogue, but I think it had a positive impact. The one thing that enables the Israelis to be incredibly successful in their lobbying is the single minded focus on the security of the state. Everything was justified in these terms. In the last analysis that was always effective. If their economic case was weak or they had a new

need, there always seemed to be some kind of flare-up with Syria, Jordan, or Egypt to justify the special requirement as being essential to Israeli security. It usually worked.

Q: Were there any conditions on the use of the dollar aid?

LANGMAID: There was always language in the cash transfers saying their money would not be used on the West Bank and Gaza. But money is fungible and this kind of provision is unenforceable in a cash transfer.

Q: What about imports from the U.S.?

LANGMAID: There were side letters dealing with their use of U.S. ships for bulk imports from the U.S. because historically the Israelis had bought, I think it was vegetable oil but also may have been various grains. This was a period when the U.S. shipping industry was heavily dependent on subsidy. There was a very focused congressional lobby which was effective in promoting the continuation of that subsidy. Under the side letters, the Israelis committed to buy, not necessary under the CIP or the cash transfer, x volume of agricultural products. If U.S. ships were available at the time of purchase, they would use U.S. ships to transport the grains. Of course, the Israelis would try to place their orders at a time when they knew U.S. ships were not going to be available. There were all sorts of silly little battles over ship A in fact loaded or not loaded and was it going to Israel. Bill Schmeizer, who was head of Commodity Imports in AID, had a staff just monitoring side letter issues. Of course, the GAO would get involved also. It was a silly issue which required a lot of staff time.

This was a period when binational centers were important.

Q: Oh, yes. Talk about those.

LANGMAID: As I recall, there were three. They were Israeli institutions which were labeled binational centers to make them publicly attractive. Usually, the U.S. ambassador was the co-chairman or co-head of the board of directors. There was one in agriculture, one in science and technology, and one other. During this period, the Israelis had a large PL 480 Title I debt. The repayment was so high that the Israeli shekel was an "excess currency." The law at the time permitted you to use excess currency for a range of purposes without appropriations. The centers used to hire U.S. scientists to do research in Israel. Many parts of the Federal Government were traveling to Israel and financing their research with these funds. It was all off budget. I think the legal authority was called the Mondale provision of the Public Law 480.

This program created a significant research dependency. As the supply of shekels began to decline, pressure built to continue the programs with appropriated dollars. This became a major issue.

Q: In the U.S.?

LANGMAID: And in Israel, both scientific communities were involved as were their political constituencies. However, more of the Federal Departments involved wanted to request dollar appropriations for this and AID certainly did not want to fund it.

A plan was developed whereby Israel would prepay with shekels all this PL 480 debt. This would artificially maintain the Israeli "excess money" status. This repayment would then be granted back as endowments for these foundations. It basically solved the problem.

Q: Were there any U.S. dollars going into them?

LANGMAID: There may have been a few small amounts in our bill and possibly USDA but they were small and sporadic.

Another program that required a fair amount of care and feeding was the American Schools and Hospitals Abroad program. Again, the Israelis were getting about 40% of that worldwide program. Aside from the big recipients like Jerusalem University, there were all kinds of high school level Jewish schools that were chartered in the State of New York with some Americans on their board of directors. This made them legally eligible for ASHA funding even though the school had nothing to do with American education and were rarely even in English. We would get a laundry list of these requests every year that had to be reviewed. Eventually, even the Congress was embarrassed by this. Legislation was put in the appropriation bills to the effect that no more than x percentage of the ASHA funds should go to any one country. Israel is never mentioned in the legislation. But, bit by bit, we were able to reduce that kind of funding. For \$100,000 here or \$200,000 there, you spent an inordinate amount of staff time and energy.

USAID programs in Morocco and Tunisia, other Middle East countries, and Portugal

Q: Let's turn to these other programs now.

LANGMAID: Morocco had a few capital projects largely in water and irrigation. There was a large program. Dry land agriculture was the priority, but there were also good programs in population and health. There was also an excellent program with Hassan II University and some private sector work. There was also some rain making. Jim Bond, a senior staff member of the Senate Appropriations Committee had an interest. One of its areas of interest was seeding clouds. The Moroccans needed more snowcap in the Atlas Mountains so you get a good melt in the spring and more water for the irrigation. I don't know how the Moroccans learned about the South Dakota ANG but we found ourselves, all of a sudden, very interested in the issues of cloud seeding and snow melt.

Q: Did it work?

LANGMAID: There is no real way to know. It may work or you may be simply taking water from one area and moving it to another. There was some rain and they got more

snowmelt, but it wasn't a program. The Spaniards got wind of this program and we did some work in Spain using the same process. There are huge environmental issues involved which were never resolved. We got out of these as fast as we could.

Tunisia was from our perspective a phase-out program. But it was impossible to phase it out. The Tunisians had an incredibly effective ambassador who had strong congressional support. Every time we tried to reduce the program, Congress would earmark it back. Eventually, the program became largely one of scholarships.

Q: Why did we want to phase it out?

LANGMAID: From our perspective, in relation to other development situations, Tunisia was a developed economy. There were parts of their economy where they clearly had needs like the dry land areas. But their balance of payments was improving and per capita income was growing nicely. The agency had a lot of poorer countries with a greater need for the staff and DA we had in Tunisia. There was continual pressure to have success stories and complete assistance in some countries.

Q: Was there pressure from the State Department to continue the program in Tunisia?

LANGMAID: Yes and no. At the country director level and with the ambassador, we had a difficult negotiation, but at the Assistant Secretary level, there was more understanding. The Near East Bureau not only had Israel and Egypt, but also had the subcontinent to worry about. They saw that aid to the Middle East reduced funding elsewhere. The Africa Bureau had a large number of very poor countries. Tunisia and Morocco were not the focus of Africa Bureau's attention. We had little support from the embassy. The Mission could discuss it with the Tunisians because the context was of being independent from the need for foreign aid. That was a positive, but when the date came, the date got pushed ahead. The Tunisian ambassador would call up the White House and we would be told to ease up. The program was really very small but the Tunisians valued the political relationship it implied.

Q: Why did they think they needed the money?

LANGMAID: The tie to the U.S. really, to maintain that link. Also, the President was an engineer. He wanted to train a cadre of engineers in the U.S. He had a conviction that the place to send their technical people was in the United States. They wanted to be sure they could continue to send their best people there. In those days, a year of graduate school cost some \$20,000. Well, the Tunisians could not justify using their own foreign exchange for this when you could go to a European university for a third of that.

Q: We didn't have any conscious phase out program?

LANGMAID: Yes, we had an assistance completion plan. As I recall, Joe Wheeler, who was the AA at the time, even went out and negotiated a date but it was not a foundation or development center model. It was more a gradual phase down with a terminal grant for

TA and training. I think the terminal grant even got cut by the budget process. AID did not know how to do phase-outs very well. They only seemed to work where we had earmarked money and could undertake various planning.

Q: Did you have any feel for what the overall impact was of our aid to Tunisia over the years?

LANGMAID: No, I really don't. We took on Tunisia when most of the work had been done. When the Near East Bureau took over Tunisia's program, it was around \$10 million. It was cut down to \$7.5 million. We may have had programs in tourism and education also. My impression is that it was a good program, but most of the credit goes to the Africa Bureau.

Q: It is a developed country, so to speak, and we were there for a long time and it would be interesting to know what the relationship was to that.

LANGMAID: One of my real regrets throughout this period was AID never had the money or chose to put the money into assistance completion and documenting a program history. Turkey is a fascinating story. India could be a fascinating story. I tried as hard as I could to keep just the files together when I was working on Turkey. We couldn't even get money within AID to adequately mothball some of the files.

Q: What about Algeria? Did we have any connection at all?

LANGMAID: No. I think there was a small Title II program for a few years and there may have been some sporadic centrally funded TA. In Spain, we had a \$7 million ESF grant. This was base rights related. We only carried it in our budget and disbursed the cash transfer.

Q: What about Jordan?

LANGMAID: Jordan had a long established program. It included budget support which was gradually coming down, road construction, dry land agriculture, a lot of irrigation and rural development work in the Jordan valley. The valley had been damaged during the war. It was a major foreign exchange earner for Jordan. There was some other TA activities and some capital projects in the Port of Aqaba, water/waste water, and in potash development.

Q: Was it a clear political quid pro quo for our program there?

LANGMAID: Not as explicit as in the Egypt/Israel case. At this stage, the Jordanians had not signed the Peace Accords and were receiving Arab aid. They were abiding by them but were not signers. There was tremendous public good will for the plucky little king who was surviving in spite of all these problems around him. NEA felt that way about maintaining Hussein in power and the American public did also. He had successfully forced the Palestinian terrorists out of Jordan, a step which almost lost him his

government. There was, in effect, civil war for about two weeks. Crown Prince Hassan brought in the Bedouin Army Tank Corps and drove the terrorists out of Jordan and into Lebanon. That is when Lebanon started going downhill. The Jordan leadership had shown considerable courage at great risk. The program was very popular in Congress. It was plus or minus \$50 million a year. We did not cut it or increase it too much.

Q: What about Syria?

LANGMAID: My problem here is getting the time sequence right. We had a Syrian program for a short while because that was part of the overall peace arrangements. Syria hadn't signed the accords, but there were understandings they weren't going to do certain things. The program did not last long. There was TA and a lot of capital projects, none of which worked. We could not even use FAR procedures. This was a strange time. The political relationships with Assad were terrible to the extent that the embassy staff couldn't leave the compound. They were not invited to Syrian parties by their counterparts, they were not permitted, without special passes, to travel outside of Damascus. However, we were free to travel anywhere on our projects. It was a classic example of having a deteriorating political relationship affecting the embassy but segregating this political relationship from the AID staff who were concerned with development. For a period, we were the only ones on the official side who were getting into the countryside. Most of the countries with which I was involved tended to draw this line between developmental and political relationships. There were some important exceptions. I lost some dear friends in Lebanon.

If you want to talk about implementation problems, Syria was a nightmare. All government run companies, all socialist, all incompetent and all used to scratching each other's backs in signing contracts. So, the idea of competitive, publicly awarded contracts was totally foreign. We used fixed amount reimbursement procedures on projects and still could not disburse funds. It was a nightmare. Eventually, they finished some projects but Congress decided there was no more money for Syria given the pipeline. I don't think Syria cared. We did not have any meaningful impact on the economy of Syria or, frankly, on the peace process. The Syrians weren't stupid. They knew full well that if they undertook overt military activities with the Israelis they would lose. So, they got some assistance by promising not to do something they weren't going to do anyhow.

Q: Anything in Lebanon?

LANGMAID: Well, the longest running program in Lebanon was AUB (American University of Beirut). There were also several other schools in Lebanon which also received money, but AUB was the center of excellence. We had a regional DA funded program at AUB as well as the ASAH, American Schools and Hospitals program. Actually, it continued long past the time when the school could conduct effective business because Palestinians were all over the campus with submachine guns.

Lebanon had always had a tenuous balance between Christians and Muslims. But it worked and the economy grew until the Palestinians came from Jordan. Fighting erupted. The Syrians moved in from the east. It was a mess yet we continued a range of TA and

PVO activities. I lost several good friends when the embassy was bombed. We had a \$50 million reconstruction loan and some PL 480. It lasted only a few years. Beirut was divided in half. You had to sneak around. I remember Toni Ford, the AA, going there and had to be fitted with a flack vest. There was incredible security. The embassy was up in the hills behind Beirut and operated out of a sealed compound. They couldn't find out. You had to be helicoptered in. It was crazy. It was no place to do reconstruction, let alone development work.

Q: Doing what kind of things?

LANGMAID: Mostly PVO managed reconstruction activities. One of the more interesting programs, which wasn't that large but very successful, was a YMCA program doing vocational education, teaching people to be plumbers, carpenters, and electricians. It was being

done in conjunction with the trades industries that were hiring these people to work on reconstruction projects. We also had a major technical assistance contract providing planning assistance to the Minister of Planning on reconstruction planning.

Q: Are there any other countries that we haven't touched upon?

LANGMAID: Well, we have Portugal.

Q: What about Portugal?

LANGMAID: There were two phases in Portugal. There was an immediate "emergency" program to help the Portuguese government address the economic consequence of the loss of Angola and Mozambique. This was not a particularly well functioning government before they lost Angola and Mozambique and then they had to deal with hundreds of thousands of skilled workers returning without jobs. A lot of them were very young and very able and very politically active. There was real concern of a communist takeover. Our program was quick disbursement, high employment, construction in road building, housing, and school construction. We wanted to provide employment and services for those returning.

Q: Which we financed?

LANGMAID: Yes, but all the activities were jointly funded. I think the program was around \$50 million for a couple of years and then it began to decline. That was a relatively small portion of the overall Portuguese budget and balance of payments. The program was not huge, but I think it was important to them in terms of being able to initiate new activities to respond to urgent needs. It was a lot of construction, capital projects, and training. I don't recall any large technical assistance teams, but a lot of short-term TA for specific needs. It was heavily focused in its early years on providing employment opportunities for the returnees. There were two rationales for the program. A short-term emergency to address the "tornados" problem and, of course, use of the Azores

base. We had just negotiated a new agreement with the Portuguese for the Azores and there was an implicit price tag of Military and Economic Supporting Assistance. The Azores were a province of Portugal. The ESF was restricted to use for Azorean development.

Q: And that is where the bases were.

LANGMAID: Yes. It was a cash transfer. It went into the Portuguese budget, but was earmarked for the development of the Azores. But we were not involved in the specific programs. We were successful in creating an audit trail and not imposing our rules and procedures for procurement. It was used for relatively small scale construction activism in the Azorean development budget.

We had one phase that was heavily employment related and then we moved from that phase into a more traditional technical assistance program. But it was not expected to last very long. The Portuguese didn't have a long history of foreign aid and weren't anxious to be foreign aid recipients indefinitely. However, they did like the access to short term U.S. technical assistance and participant training in the United States. We did a lot of feasibility study work during this period for projects which they ended up undertaking with their own funds. We gave them as a sort of end of program grant of \$7.5 million (I forget the exact figure.). It may have been as much as \$10 million for technical assistance and training. This along with the existing pipeline was folded into the foundation. The U.S. ambassador and the Portuguese Minister of Finance, or it may have been the Minister of Planning, were on the board of directors. There was an executive secretary who managed the feasibility money. For several years after, the Foundation was initiated, a former AID direct hire employee was hired as the executive director of the Foundation. I do not know what finally happened to this.

Q: What was the foundation supposed to focus on?

LANGMAID: The terms of reference were very broad. The Portuguese wanted technical assistance that they could call for as needed. They were to put in an equal amount of money which was to be used for the local costs of these activities. However, the cost of a U.S. expert was high and there were skilled Portuguese. Over time, the use of U.S. experts declined.

This model was used in designing the Omani program, which was another base rights situation. I think the binational foundation model has a lot of merit for phasing out programs yet continuing some of the relationships built during the program period.

Q: Particularly for training.

LANGMAID: Yes, for training, but also for short-term TA and feasibility studies. We did the same thing in Turkey during the last years of the program. We funded a scholarship program which was very successful. When you have spent 15 years building a set of relationships, the completion of concessional financing needs more thought and

preparation then simply running down the pipeline.

There was population activity in Turkey which continued after the program formally ended. No local staff, PVO activity through the Turkish population institutions created in the days of a full program. There was also a large technical assistance program for Yemen. This was North Yemen and the program was around \$28 million annually.

Q: What were we trying to do there?

LANGMAID: Agriculture, village development, and human resources. This was one country where health and population were very, very hard to work on because of their Muslim conservatism. We tried but never got very far. We did a lot of participant training. In fact, there was serious discussion of undertaking a training-only program until their institutions became strong enough to undertake development programs. There was so little competence at the national level and no provincial structure with which to work. This was a very poor country. There was sentiment to try a different mode where we provided trainees for five years to build up a human resource capacity.

We did a lot of rural development work in Yemen. Yemen was a fascinating situation because of the workers' remittances. This was a period of oil price rises and Yemeni workers were going to Saudi Arabia and elsewhere by the thousands making very good wages which they remitted or carried back. This was all received and spent at the village level. The government had no control over these flows and couldn't tax it. There was a tremendous increase in purchasing power at the local level. The Yemeni per capita income went from 60/70/80 dollars up to \$300 in two years just through this income transfer, which didn't in any fashion get reflected in government revenue. The national government was as poor as could be, but at the village level they were buying new tractors, washing machines, and in some cases silly things like radios when there was no electricity coming into the village. The village authorities had a fairly large amount of autonomy, and a practice of taxing at the local level. So, we did a lot of village development work with these local government authorities to tap these resources for development. Yemen was much like Afghanistan in that the authority and competence of the national government did not extend much beyond the major cities.

Q: Were there university contractors and others?

LANGMAID: Yes, we had a large agriculture development project to develop Yemeni agricultural institutions. I think the prime contractor was Arizona State but a consortium was involved. It was one of the first examples of a collaborative mode Title XII contract with a U.S. land grant during a period when "the Title XII contracts were not supposed to be managed by AID." The project did some good work, but the relationships with the Mission were not good. There was frequent tension with the chief of party, who did not want to keep the Mission staff informed.

Q: Any other part of the region? You have given an excellent coverage.

LANGMAID: Europe was part of the Bureau. There was a Cyprus program which again was a politically determined level. We would have liked to terminate the program because the Cypriots did not need foreign aid. But the Greek lobby wanted the program continued. Some of it ended up being used to deal with cross-border activities. Things to get the Greeks and Turks working together. Much of it went to scholarships in the U.S. Cyprus had no university and was accustomed to sending all of their high school graduates to England, to the British schools. We came in, took over that responsibility and sent their students to the United States.

There was a major earthquake in Italy during this period and we did a little work on that. There was also an earthquake monitoring program in Naples which we managed. There was a one time appropriation for earthquake relief which the bureau managed. This was the period when the Poles were beginning to loosen ties to the Russians and there was interest in providing help to unions.

USAID in Poland

Q: What were we doing there?

LANGMAID: We never started a major program, but there were lots of discussions with the Poles to set up a kind of binational foundation to work with labor groups and the Catholic Church in Poland. This may have ended with some modest Title II activity.

Q: Were you involved in the children's hospital?

LANGMAID: No. That was an American Schools and Hospital managed activity. These activities were interesting because of the differences between the NEA and EUR bureaus in State. State NEA was used to working with AID. They didn't always like it, but they became accustomed to a lot of the problems of working under the FAA. We spoke approximately the same language. They knew to clear papers with us if they dealt with AID. Not so with EUR. There was a constant battle. I had a very good working relationship with my counterparts in NEA. I was a regular member of the daily NEA senior staff meeting. EUR did not want to talk to us at any level. This was the period Peter was insisting that anything going to the Secretary have an AID clearance. We were caught in the middle.

USAID reorganization and the NESA Bureau - 1984

Q: Were there some other general issues that you were concerned with in running the Bureau?

LANGMAID: Redoing the Congressional Presentation was one. Also, we had so much ESF that I became somewhat of an expert on that part of the legislation. I was there when we closed the bureau down. NESA ended during my tenure. In fact, my last duty was to ensure a productive, smooth hand-over to the Asia Bureau.

Q: Why was it ending?

LANGMAID: This was part of an overall agency reorganization. I think, frankly, Peter had made the political judgment that he needed some grandiose actions that we used to show people he was streamlining the Agency. This was a period of increasing problems within the Agency, audit reports, management, etc. and Peter wanted to take an initiative. The argument was that this would reduce organizational boxes and staff, but it was a big shell game.

Q: What year are we talking about now?

LANGMAID: This would have been 1984-1985. He wanted to change the way missions were being managed and there was a new programming system. Although this was put forward in the name of staff savings, there weren't any staff savings. But we and Asia had looked at this for six months. Both we and Charlie Greenleaf on the Asia side agreed the new bureau would need essentially the same number of staff as the current bureaus. The new Asia bureau had two deputies, one of Asia and one for Near East. So, the only thing they saved was one Assistant Administrator job, Toni Ford's job. Toni was the only black woman Republican in the administration at that time so they kept her on as an Assistant Administrator for Special Relations with the Arab world. She worked for a year with a staff of two or three on those sets of questions. Peter made a big deal out of this for the White House. But it did not change a thing.

Eventually, the old bureaus were recreated. This was around the period Peter brought in Dr. Richard Demming, who had been given credit for reorganizing the Japanese whole management system. He was hired to look at how AID does its business. We were supposed to reconfigure ourselves in this model.

The Near East Bureau was one of the model bureaus that he was going to look at. I will never forget going to a huge staff meeting in the diplomatic conference room.

Q: I was there.

LANGMAID: Everyone was brought in to hear Demming's presentation on how he was going to empower small groups to make decisions. Peter knew that that was what Demming was selling. There was no way Peter was going to devolve his authority to small groups.

We did our model and had the Demming folks in the bureau for a year. We learned a lot from them and made some good changes. However, Peter was no longer interested. My own view is that Peter didn't have a real understanding of Demming's approach. He heard that Demming was a big name in management improvement. He would get lots of brownie points in doing this.

Once the decision to merge the bureaus had been made, my job as the deputy was to keep the bureau running at full speed up to the day it ended and make sure there was a good handover. As a public servant, I was proud to do it well because that is what I think

career people should do. However, I still feel it was a stupid decision. It didn't work particularly well and eventually the two bureaus were recreated. In the process, it caused a lot of unnecessary pain and suffering in a very loyal and able staff.

Q: Were did you go?

Attended the Senior Seminar - 1985

LANGMAID: Peter met with me early on in the process and said I could have any job that was then open. He said he would like to send me as Mission Director to Thailand or I could go to Senior Seminar. I had heard good things about the Senior Seminar. Thailand was fascinating area, but you could see the handwriting on the wall that the Thai program was coming down. It was unlikely to be a major policy program, so I went to Senior Seminar in 1985.

Q: How did you find the Senior Seminar?

LANGMAID: It was fun. Frankly, it was of marginal relevance to my work in AID. It was a nice educational experience. In those days, the Seminar was not focused on management skills, etc. It was focused on bringing Foreign Service officers who spent most of their service overseas and reintroducing them to the major tenets of U.S. foreign policy. What are the major domestic themes that one needs to take into account if you are representing the U.S. overseas. Well, I didn't come from overseas. I had been living here for a while and was aware of the major themes. I knew about the credit problems of our farmers, drugs in the street, and urban development, which were the issues of the time. We went to Detroit, San Antonio, Texas, Richmond, Seattle, San Francisco, and Miami. We traveled in police cars and went out on Coast Guard boats on drug runs. It was fascinating. But I couldn't say I took much from this back to AID.

Q: Did you go overseas?

LANGMAID: Unfortunately, budget cuts reduced the foreign travel but we did go to Canada, to Calgary, Edmonton, Ottawa, and Quebec. We studied the French-English issues and energy issues.

State sent excellent people to this program. AID did not take it as seriously. I don't think Peter had any idea what it was except that it was a prestigious program. He didn't have a DAA slot open when I left NE, so he simply held me in the Seminar there until the next DAA slot came along. In January, he called me up and said I was rested up enough and it was time for me to go back to work.

Q: So you didn't go through the whole Seminar?

LANGMAID: No, I was pulled out in February.

Q: Did you bother to write a paper or anything like that?

LANGMAID: In those days, they didn't write papers, you put on a week of the program. Each person was given a week to develop, call up speakers, and make the arrangements, etc.

Q: What did you put on?

LANGMAID: I did on the domestic politics of foreign aid. I was the only AID person at that time, so I put on a program on the public management of foreign aid issues. I did a lot with congressional staffers and their role in foreign aid process. I don't think the senior State officers liked hearing that little staffers on the Hill and lobbyists had as large a role as they did.

Assignment as Deputy Assistant Administrator in the Bureau for Science and Technology - 1986

Peter called me in January and offered me a DAA slot in the S&T Bureau. I told him I had spent all of my career in regional affairs and bilateral programs. I wasn't sure I was interested, but would talk to Nyle Brady, who was the head of the Science and Technology Bureau at that time. I sat down with Nyle and became very interested. S&T had two deputies. The vacant job was the research portfolio. I had never done something like this before. One of the things I always enjoyed about AID was there wasn't a job I had where I wasn't learning something new. This was very, very new to me, so I accepted. Well, Nyle wanted me the next day. He wasn't going to wait until I finished the program. So, I was pulled out of the Senior Seminar about two-thirds of the way through. I negotiated to be able to take some of the field trips with the Seminar, but that is all.

Q: This sounds like a fascinating job. What was involved?

LANGMAID: Nyle came out of a research environment. He had been the head of IRRI and Chairman of the Research Advisory Committee. He was an agricultural research expert, but had had major policy and public management jobs. I first met Nyle when I was Near East Deputy when there was serious consideration of creating a research institute. Nyle was to head the Institute. Well, the institute didn't get set up, but Nyle came in as the Senior Assistant Administrator with the same agenda. Peter gave Nyle preference. By and large, what Nyle wanted, he got from Peter in terms of staff, money, etc. He had tremendous respect for Nyle. I think during that period, there were a range of things in the research area that would never have been done if Nyle hadn't been there. Nyle put AID on the research map. He had strong views of what was required to do sensible research and the importance to the agency of having a strong technical arm. He felt the mandate to build a strong technical cadre. He didn't get everything he wanted because the regional bureaus usually lined up against him, but S&T grew during that period. We at one point had a portfolio of new money that approached \$500 million and we were managing an equal amount that the bureaus had given us through "buy-ins." He had a model in mind of S&T having a research portfolio, which drove the Agency's Technical agenda which also had a service component from umbrella contracts from

which missions could purchase services. This was already starting when I got there. I spent a good deal of my tenure trying to perfect this model.

I came in as the Deputy for research. The other deputy dealt with field relations. When he rotated overseas, Nyle went to a single deputy model for a while. I spent a lot of time on bureau management, particularly inter-bureau issues, the designs of collaborative programs, the battles over staff and budget, etc.

Q: Let's stick with the research side. What was the focus of that and what was the rationale behind our research approach?

LANGMAID: You have to take it sector by sector. Nyle had in mind setting up centers of excellence for each of the technical areas in which AID worked and bringing in true senior scientists to run these centers. He did this in most areas except population, where he used career staff. They did not fit that well with the career technical cadre. I do not think the Agency technical staff ever appreciated what a friend Nyle was to them.

Q: Which areas are you talking about?

LANGMAID: Primarily in agriculture. He brought in senior scientists to head both. The focus was on applied science. How do you bring the power of the U.S. scientific community to bear on the problems of developing countries? We never worked in what scientists define as basic science. We were not after science for science's sake. It was science to solve a problem. It was always targeted on a particular outcome. Even in the population area where we were working on complex biological issues, we were always focused on a contraceptive outcome. But research is sporadic. It can't give you an outcome to fit the annual appropriations. In an aid agency predicated on annual appropriations, it is very hard to sustain support for scientific activity which may take five years before something comes out that is useful.

A classic example was the malaria research. Malaria is probably the third largest killer of children in developing countries. There was virtually no money spent anywhere in the world on malaria research because for the pharmaceutical companies it was not profitable. Almost all of the malaria researchers were in their 60s because they had been involved in trying to eradicate malaria using DDT in the 1950s. We couldn't go to Peter McPherson and say, "We have a vaccine ready to go" because we didn't. We might say, "We will have a vaccine 10 years from now." Every year, we fought tooth and nail with PPC to protect the \$10 million we were putting into development of a malaria vaccine. I was told this was 60% of the worldwide effort.

In agriculture, there were a range of agricultural research activities from farming practices to miracle seeds. We had a research review process to say if we were spending money on the right thing. There were six different contracts with different teams of U.S. land grant universities on dry land farming, legumes, irrigation, grains, etc. In population, they were doing work on new contraceptives as well as on delivery mechanisms. One of the more applied things we approved under the Child Survivor Program was developing a

non reusable syringe. They had disposable syringes but they were using them over and over before throwing them away. We were trying to figure out how to make one that you could not reuse. We had a contract with Path Seattle to review all of the technologies and recommend a solution. Path came up with a syringe with a little razor blade imbedded in it so you could fill the syringe once but when you tried to refill it the razor blade broke the side of the syringe and destroyed it. This only added about a tenth of a cent to the cost of a syringe. We worked with UNICEF who made it their standard buying hundreds of millions for their program. Our total investment was less than \$500,000, which saved millions of lives.

I am sure there were also \$500,000 investments that didn't yield something. This is one of the problems of evaluating research. You can't apply the same kind of programmatic criteria to a research investment that you apply to a vocational education or primary school project. Nyle was trying to convince Peter that AID was a research agency in part, although obviously not in a whole. He urged deciding in advance the percentage to go to research and we will develop a management system to spend it effectively on priority research. Much of my work during this period was on research priorities and research management. This was a fascinating intellectual and programmatic issue. I got to know some excellent people in the U.S. research community at the National Academy of Science, at NIH, at USDA, etc. It was all new for me, which made it fun. However, it was not always popular in the Agency as this approach caused friction with the country programming corporate culture.

Q: You managed the Research Advisory Committee?

LANGMAID: Yes, I did. I don't say I did it particularly well or particularly badly. It was a time when the RAC was probably not attracting the right kind of people to the committee. The members were very able but it was not a good fit with Agency programs. The bureaus had little interest in it, and the individual technical centers in S&T had their own peer review processes which they used. They had their own extensive contracts for technical support and expertise that could look at a particular issue. The RAC did not provide that much value added. I think most considered the RAC a chore to go through and I think they were probably right. Nyle had originally in mind something like that which he had chaired a long time ago when every research program in the agency would get a review and approved by the RAC. But the situation was different now and the RAC didn't really fit. I had a small staff that worried about developing agendas for a particular meeting but the Agency was not really engaged. I just didn't fit well with the agency and I am not sure it added an awful lot. There were very bright people on the RAC but they too would read the papers as they flew in for the meeting and didn't have that much experience with everything else the agency was doing. The technical staff, who should have used the RAC, did not. They were more interested in why the Agency should have a research program at all.

Q: What about the service side of S&T?

LANGMAID: During my first two years in S&T I wasn't that involved. The other deputy

dealt with field, mission and bureau relations. When Nyle decided to go with one deputy, I became more involved. My view during that period was that the S&T relationships with most field missions were excellent and that the Regional Bureau technical staff were not that relevant. S&T had a series of field support programs which for a lot of reasons, some positive, some negative, were reasonably well funded and missions could get a lot of the technical support analysis free because it was centrally funded and part of overhead. There were buy-ins, but still a lot of the core work was provided centrally. Missions, therefore, liked working with S&T and we got very few negative complaints from field missions in terms of the portfolio. Given the staffing situation in AID, particularly the decline in technical staff, there were contacts that were excellent. PPC had Peter order a survey of all the field missions. S&T had no role in the survey and the questions were incredibly biased and leading against S&T. Nevertheless, the answers that came back were by and large positive. We fought all the time with the technical staffs in the bureaus but the battles were over turf, not substance. I eventually concluded that what were superfluous to the process were the technical staffs in the bureau. They didn't add anything of value to the field programs. The only exception may be Latin America. It had never suffered the reductions in technical staff that Africa and other bureaus had. They had maintained a large technical staff.

The issues were very bureaucratic involving turf, internal politics, and programming. We spent a lot of time on those issues. I think the agency was going through a period of sorting out how to run programs when 99 percent was being done by external contractors, and there was a continued reduction in overall staff and particular technical experts. How do you operate when technical staff is spending all of its time managing contractors and frankly no longer has the technical skills needed? Nyle believed the best way of dealing with that problem was to centralize technical staff so you have at least a degree of critical mass that was competent and build links to the U.S. private sector experts thru advisory committees. I thought Nyle was absolutely on target and supported him enthusiastically. Our model was the population program. We concluded early on that the best run technical cadre in the agency was in the population office cadre. Our approach was modeled on how population became as competent as it was. A key feature of its strength and professional competence was that the Population Office has a degree of responsibility for the professional competence of all the technical staff and some say in the assignment of those staff overseas. In some sense, all that staff came back to the home office periodically to get recharged. In our view, the model worked well and more of the other technical staff came close.

Q: But, the bureaus fought that furiously?

LANGMAID: Oh, yes. Tooth and nail. As did a lot of technical folks who frankly would have done much better under Nyle's model. The interesting contrast was population versus agriculture. Population had a lead office responsibility for the professional competence of a worldwide staff. The agriculture staff had a weak control office and the regional agriculture chief had a history of collaboration. But it was a very democratic process. The chief in each of the bureaus would sit together and negotiate things out. Over time, this lack of leadership led to the demise of the agriculture programs. This

really bothered Nyle because agriculture was his field.

Q: Another difference was that the population program had a major appropriation of its own to manage which the other areas did not have.

LANGMAID: True. But, over time, the proportions of the programs in other areas were relatively stable. Assured funding was important but determining. The Congress understood the importance of a lend office better than AID did. During this period, Congress also earmarked to the Population Office. They knew the importance of technical advocacy.

Nyle had a mandate from Peter to increase the agency's technical skills. He had some 20 special super grade slots just for that purpose. So the growth of the S&T portfolio in staffing was already well underway. Nyle came in with a well thought through model of what he thought was needed, and why and how he planned to do it. He would compromise here and there tactically but not strategically. Peter was in broad agreement and prepared to give him the budget and the additional ceiling positions he requested.

Q: He was called the Senior Assistant Administrator. Do you recall that?

Special assignment to: Child Survival Task Force and HIV/AIDS

LANGMAID: Yes, I do. That was an important signal. On some issues, he was the number three in the agency. It was not an accident that he had an elevator that went directly to Peter's office. The Agency had not had this type and it grated with the Regional Bureaus and in particular the staff of PPC.

Soon after I joined the Bureau, I was made the Director of the Child Survival Task Force. My predecessor had chaired a child survival committee but Peter wanted to formalize it as a major initiative. There was no one who had that title before me. There was a child survival program before I arrived. Pamela Johnson was the person most responsible for the program. I inherited something which had already been reasonably well thought through. Peter saw the political merits of this program before others did. He saw the simplicity of the program before others did and he had a very clear sense of what he wanted to do with this program. He also had developed a sense that the AID staff was extraordinarily skilled at relabeling things to fit whatever new initiative he announced. Peter wanted to change the direction of the Agency's health program, which at that time had fallen to less than \$50 million. I got very direct orders from Peter that there would not be a relabeling. He wanted this program to be focused unambiguously on immunization, ORT, and nutrition and maternal health. He didn't want roads being built all over the world in the guise of child survival, or health clinics that were only marginally related. He wanted a clear sense of what we are accomplishing in terms of output and in terms of people actually inoculated, etc. He didn't want to see the program mush. Well, that was fine, but the Agency approach was program mush. It took a little while for the field to appreciate how serious Peter was and they were being held accountable for results. Peter would call me several times weekly to hear how the

program was going.

The program grew to well over \$350 million a year. It became very popular on the Hill. Peter had an extraordinarily good working relationship with the director of WHO and with Jim Grant at UNICEF. They met two or three times a year, as did their staff, because this was a joint exercise with those two agencies. They talked on the phone more frequently when issues arose. We had a task force which met monthly on issues of common concern as well as information exchange. We configured the program as best we could along the lines of population model with a core of contracts that provided the analytical underpinnings and the review and evaluation resources and a series of technical support projects that missions could buy into to support their bilateral programs. We had an annual review which Peter chaired that looked at results and future plans. Peter wanted to know how many people had been vaccinated or received ORT. Some missions were unhappy with this initiative. They felt that the program skewed their country priorities. It did, there is no question about that. That was exactly what Peter wanted to happen. There is no doubt in my mind that this initiative saved the Agency's health program and preserved a very important constituency for the Agency.

Q: Did you assign the mission projects or just backstop them?

LANGMAID: That line becomes a little fuzzy. S&T provided backstop services only in child survival. The Task Force reviewed all budget requests. Funds were not available for projects that did not fit the Agency policy. There was more money coming from Congress for child survival than the agency had planned to spend, so we had some positive incentives also. When we started the programming process in the beginning of a budget cycle, the sum of what the missions requested for child survival was always considerably less than we knew ahead of time the Congress was going to give us. Unless the missions came forward with projects, we had no choice but to put the money in centrally-funded core projects. Frankly, we were not at all anxious to have this become totally a central bureau program. We didn't need that to get the job done and it wouldn't have made sense. But we had a focused strategy directed to those countries with high infant mortality rates. If these countries did not have child survival programs, they might find CS funds in their OYB. There were not many of these, but Peter could be very directive if he felt staff was not following his policy direction.

Q: You designated target countries and priorities?

LANGMAID: Oh, yes. We had 21 target countries, target infant mortality rates, and an analytical base that said here are the number of kids that are dying from x, y, and c and here is what needs to be changed. We set up criteria, including the country's willingness to support child survival, which we went through the budget process. But, that doesn't mean that Mission Director x would give child survival as high a priority as something else in that mission. And, of course, Peter was telling the agency, "I want your priorities to change." There was no doubt in Peter's mind that he needed to change those mission priorities. We were his instrument to get this done.

It was an exciting time. I won't say it was always easy. I worked essentially directly for Peter on this. It was not because I was bypassing Niles, when he was there, or Rich Bissel, when he became AA. I always kept them informed, and consulted with them on policy, but I got the sense they were perfectly happy to have me deal with all the day-to-day stuff, and were comfortable with what was going on.

Q: What was your sense of the achievement during your time?

LANGMAID: I think it was one of the more successful things the agency has done. And, still is.

Q: In what terms?

LANGMAID: There were major measurable accomplishments in inoculating children with the long term health benefit that it has and saving lives with ORT. But equally important, we gave the health infrastructure something that works. Over time, we were able to put funds into building supply systems and clinics, and training staff. We used ORT, immunization and to some degree nutrition to build awareness and mobilized public support for health systems. UNICEF had pioneered the work on immunizations. These programs, along with AID's ORT program, were an effective way of building a sustainable infrastructure with products that work.

My classic experience throughout the Middle East was seeing clinics which we had built and finding no patients, no medicines and no trained doctor. They were not delivering health because there wasn't anyone who thought they provided services that were useful to them. All of a sudden we had a set of tools that were demonstrably useful. At ORT clinics, there would be lines around the block.

Q: Did this also serve to help build up the primary health care system?

LANGMAID: You can't build a primary health system if it doesn't have anything that people feel is valuable to them that you are delivering. All of a sudden we had simple, easily understandable end products and deliverables that worked. They have since then broadened it to deal with other health issues. Over time, you develop an effective health maintenance program.

Q: I gather that the sustainability of these programs became an important concern.

LANGMAID: It was a priority concern. Inoculations are by definition sustainable. Once you have inoculated someone against polio, they won't get polio for life. The technology was there to do this for other childhood illnesses, and people were working on a super vaccine that would package all the vaccines together.

Q: But in terms of keeping the program going.

LANGMAID: If you inoculate that new cadre of children once a year that is probably a

level of effort that even poor societies can afford. We called this a pulsed campaign. Vaccinations are instantaneously sustainable. You have protection for the person you have inoculated against that impediment. Most societies can do that on a regular basis. It may be once a year, or even part of the school process, but they can do it at least once a year then you have to try to get them to do it on a six month basis, etc. You do not have to have vaccinations or demand from health clinics to be effective. ORT is different because it does not cure the child in a permanent sense, they have to take it every time they get diarrhea. So, you have to have a way of producing it, a delivery system for it, etc. It gets you into a different set of issues. But it is no prescription, so it could go through the private sector.

There were missions with major infant fatality problems which for a variety of country team concerns did not have a child survival component and were terribly resistant to having Washington tell them that they now had this priority. Peter was equally determined. He said that he was the Administrator and would decide Agency priorities. The missions will abide by them. Some Mission Directors chose to force on them some programs, fought with Peter, and lost. The only tough time I had on this was when Al Woods came in as Administrator. He simply had other priorities and he really didn't care about child survival. He had an inferiority complex vis-a-vis Jim Grant. He felt whenever he was in a situation when Jim was on the podium with him, Jim would out shine him. Peter thrived on this. Alan did not. Consequently, the troika of Agency heads, WHO, UNICEF, and AID ended, although the staffs still met.

Q: For sure.

LANGMAID: This was the period when Administrator Woods was sick. You had the Congress on the bandwagon and you had the international system on the bandwagon and you had an Administrator, who was an important part of that troika, but was not able to carry AID's role.

The other similar kind of activity which required as much time as child survival was the HIV/AIDS task force. AID had few programs on AIDS when the problem blew up in our face. I remember clearly, Peter called me in and said, "Brad, I want you to start an AIDS working group and model it like child survival. I want you to do whatever is necessary to deal with this problem, but don't put me in jail." That literally was the extent of my policy guidance. Again, I had almost complete freedom of action. I had an excellent working relations with both Nyle and Rich. They were very helpful and supportive but I think they were also comfortable to have this messy issue off their hands. If I had an issue, I would go to them and kept them informed regularly of what was going on, but I never felt someone was constantly looking over my shoulder. On this issue, I represented the Agency before Congress and heeded to the U.S. delegation to the WHO Global Program.

Q: What were you able to do?

LANGMAID: We had less money to work with and the issues were more complex. We

had no magic solution. The program was modeled on the Child Survival Task Force. The same model with a central core program of two contracts, one on public diplomacy and public mobilization, information management, and education and behavior change. We drew heavily on the population work in behavior change. The other contract dealt with the medical and scientific issues. We also had an interesting program that involved the CIA computer data resources. We had a Pop like model to project the trends in AIDS cases in various countries. We used it to build these analytical skills in individual countries so they could analyze the impact of AIDS. This was very much modeled on the child survival and population programs. The other major contract was on the technical side like the use of condoms. We didn't do anything in the curative area. There was some pressure to do so, but we stayed away from that aspect.

The model was a core of support service and analytical resources. We had an Advisory Committee, which was a peer review process that oversaw both contracts. That was all part of the Working Group with the regional bureaus. They would set the agenda for the Advisory Committee. We were able to access the very best in the world on AIDS issues through this process. Funding may have reached \$100 million. Part of that was a grant to WHO which was earmarked by Congress. There were some battles between us and WHO as to who could spend the money better and hence who should get it, us or WHO. I think we held our own in those issues. We brought the WHO levels down considerably from the earlier earmark without totally damaging our relationship with WHO. And, we were able to start a large number of programs. There was less of a problem in convincing field missions of the importance of AIDS. The countries which needed to be involved were already seeing the devastation at the local level. The greater problems we had were in the countries which we knew full well were going to have horrendous AIDS problems but hadn't reached that level of public awareness yet, like India. Anyone who looked at the issue knew India was going to face an awful AIDS situation, but we couldn't get our mission to work on the issue and develop the information needed. In Africa, we did not have that problem. But, in the Africa context, no. Those missions knew full well what was happening to them. Some of the Latin American countries were the same way. The Middle East countries were more of a problem for a lot of religious kinds of reasons. But, frankly, they did have less of a problem. A lot of societies didn't want to recognize the kinds of populations that spread AIDS. They denied they had prostitutes and IV drug users.

To start the program, Peter gave me \$10 million and his 15 word policy guidance. The only problems in Congress were with those who thought AIDS was a sin and we should not deal with sinners. Deputy Administrator Jay Morris' political fear that people would find out we were dealing with prostitutes, homosexuals, and drug users. I will never forget he came into senior staff meeting one day waving a cable that he had seen from the Philippines talking about our work with prostitutes. He said, "I can't believe this agency is working with prostitutes. We cannot do this." He was just livid. So, we told the mission by phone that these were now sex workers, not prostitutes. Peter let Jay blow off steam and we went about doing what needed to be done.

We worked with a lot who were non-traditional clientele. Dr. Jeff Harris was the program

director, an outstanding Public Health Service officer, a superb individual and with excellent technical skills. He was the day-to-day manager of all this. He had a global reputation and network which was invaluable. We kept this thing going and nothing ever exploded in our face.

Q: Anything else you want to mention during your time in S&T?

LANGMAID: I would like to touch on two other things because I think they are interesting historically. One was the malaria research program. The agency had been putting between \$7 and \$10 million in the malaria research for a number of years before I became involved. Each year, you would have people say we were just around the corner to finding a vaccine and then we would get it. The investments worldwide in basic biology associated with AIDS really began to generate some new things that were relevant to malaria, and some real progress was made, but we never did get the vaccine.

Soon after I took over research in S&T, Dr. Ken Bart, the Health Director, came in to me and said, "Brad, I am hearing reports on some problems with the management of the malaria program. We talked some more and I talked to the lawyers and there was strong suspicion that the director of the program, Jim Ericson, was involved in possibly illegal activities. The IG was called and after about a year of investigation by the IG, Jim was arrested, tried and convicted. The problems didn't go to whether or not one should be investing in malaria, but PPC did not like the program and used Jim's issue as a basis for killing the program. I felt the future of the program should be decided on its substantive merits, not because it had a bad manager. So, my objective was to save the malaria program on its merits. I had to totally redesign the peer review process used to award the grants and undertake a top to bottom review of the scientific merit of our investments. I had a lot of help from the National Academy of Science. I had never done this before. But it worked. We established the scientific underpinnings and the program continued.

Q: Is there still malaria research going on?

LANGMAID: I believe they are still putting money into it, but it has now moved.

The other task I would like to mention was managing university relationships. AID had an Office of Historically Black Colleges and Universities and University Relationships which managed the old block grants that had started back in the sixties. These were designed to build the capacity of US agricultural institutions to undertake AID programs. These had been going on for 15-20 years. The capacity had clearly been built and the program was costly. I got Nyle's permission to begin to explore ways of ending the bloc grants for the Title 12 institutions and for the historically black colleges and universities. We hit upon the idea of having a competitive grants program for university linkages. A specific criteria for selecting linkages was the sustainability when the AID money ended. To solve the problems of the HBCUs, we insured that the HBCUs would not get any less money under the new program than they had in the old, although they would now have to compete for it.

We designed a scope of work. It was one of the few times in my career I was truly in a project officer designing mode. We ran three workshops around the country. One in Washington, one in Kansas City and one in San Diego, to which all of the university folks were invited. We had a couple of hundred at each of these work shops. The scope of work and the terms of reference for the new project was put on the table. They were free to redesign them. They also designed collaboratively the point award system for the contracts. This way, they could never complain about the competitive process. It was remarkable how similar all three workshops were. The project was approved and the university linkage project was implemented concurrent with the conclusion of the old bloc grant program.

I left S&T after the first two rounds of grants had been issued. I am not current, but my impression is that the program worked well.

Q: Linkage with what?

LANGMAID: This was linkage between institutions of higher education in the U.S. and those in developing countries. The objective was to setup relationships between those two groups in any area compatible with the Foreign Assistance Act. The linkages had to be sustainable on the resources of the two parties after the five year grant was up. It had to be sufficiently important to both that they would put their own monies in it. There were all kinds of points in the grant award to measure the sustainability and the individual commitment of the two parties. We had an external peer review that included AID which was run by the National Academy. We had 300 applicants for grants the first year for only about 30 grants.

Q: How large were the grants, roughly?

LANGMAID: \$50,000 a year.

Q: That's all?

LANGMAID: Yes, the AID money was very small. There were five year grants and were either \$50 or \$75 thousand per year. The universities said to keep them small, which was interesting. We were prepared to have grants in the \$300 thousand range, which was more consistent with the previous ones. But, the universities wanted both parties to put up a share and didn't want them fully funded by one side only. It was very interesting. The other thing that was interesting was that universities tended to send their information management people to these conferences.

... They saw, long before AID, the importance of distance learning technologies. They clearly had in mind building information exchange capabilities into the programs, which frankly we had not anticipated. We were delighted to encompass that, but we had not anticipated it.

One of the priorities of this program was sustainability. Its success was dependent upon

the ownership by the two parties. It had to be sufficiently important to them so that they would continue to put money into it after AID had gone. It was really aimed at post-AID university to university relationships. This did not fit well with missions, who were now being told to focus on a limited number of activities. There were Missions unhappy with the central bureau giving grants to building institutions in their countries. We were quite consciously focusing on building institutional relationships that were supposed to survive an AID mission. We had lots of battles over that. I would say that, by and large, we lost that battle, which was too bad. Part of the problem in university relationship is no matter how the grants were awarded the universities ended up being in a contractor/service mode vis-a-vis the mission. There is mission not university ownership. This project had been designed to be “this was your university program and you own it and you will continue it. We will evaluate on the basis of whether you are capable of continuing it.” We frankly felt that Michigan State would last longer than AID. But, Missions didn’t like programs like this outside their portfolio.

Come 1992...I can’t remember the name of the Administrator, I blocked it out.

Q: Roskins?

Charged with leading AID’s management reform program - 1992

LANGMAID: Roskins. His view was that the Bureau deputies should not stay in place long. There were several deputies who had been in their jobs for a long time. Larry Saires in Africa was one and I was the other. By then we had been in the same job for six or seven years. Rich called me in and said, “Brad, they would like you to become deputy in the Africa bureau. Larry is going to move down to the policy office as a deputy.” I said, “fine.” I had never worked in Africa before. I had just come back from a Presidential mission to Africa on child survival and I found it fascinating. I had always looked for jobs where you learn as much as you give, and Africa would have been a tremendous learning experience for me. I went away on Christmas holiday expecting to come back in February to work on Africa. When I returned I was told there was a change in plans, I was not going to the Africa bureau. Eight or nine months later Roskins called me and said, “Brad, I am having all kinds of management problems and I want you to take the point on management reform. There was an OMB Swat Team to look at USAID’s management. We had Congress chewing us up one side and down the other on USAID’s management. There was also a major GAO report faulting AID’s management. Roskins said, “I want you to be in charge of a management reform program in the agency.” I wanted to stay in the S&T bureau. I enjoyed working with Rich Bissell. I had been blessed with having some really good bosses over the years, and Rich was in his own way as much fun to work with as Niles. But as a careerist, when the Administrator says I want you to solve a problem for me, it is hard to say no. So, I went down to work with Dick Ames, who was head of the Management Bureau.

When they reorganized the agency the last time they created a directorate for operations, which didn’t make any sense. They also created a separate directorate for Management and brought the budget office out of PPC and the contract office and the personnel office

and lumped them all together under one Associate Administrator who theoretically was senior to the Assistant Administrators. Dick Ames was the Associate Administrator. He had come from Union Pacific, I think, via Ford Motor Company to manage the agency. I was housed down there as the Deputy Associate Administrator for Management Reform. I basically spent a year, year and a half, writing speeches for the Administrator's testimony, undertaking a range of management improvements, reporting to the OMB swat team, and dealing with some Presidential task force on the reorganization of the AID Bureau.

This was a very unpleasant time in AID. Almost everyone you could think of in the administration and outside was jumping on us. There was a relatively strong sense within the agency that there was nothing wrong that a good administrator could not fix. Why were these people picking on us? The problems we were being criticized for are endemic to the aid process and have always been there. So, you didn't have an Agency anxious to look at its own problems seriously and solving some of them. You had an agency increasingly distancing itself from a weak political administrator. There was little in this assignment I enjoyed. It was something that as a career professional I had to do. I never planned to spend more than a year or two. I didn't look at this as a permanent job and I had told both Roskins and Ames that. When Ames left and the new Administrator came in, I said, "Look, if there is something else you want me to do, I will be glad to do it. If not, I am ready to retire." I was at that point where I wasn't prepared to go through my fourth or fifth change in administration or change in Administrator unless the job was truly exciting. I was asked to stay but never given a specific assignment, so I retired. Most of my jobs in AID and my bosses had been wonderful. I was due for a clunker. I only regret it happened to be my last one. But, I had a great career and have few regrets.

Q: So, you retired when?

LANGMAID: It was late 1994.

Concluding observations

Q: Well let's wrap up with some general observations. First of all what is your appreciation of AID as an agency in the development business over the years?

LANGMAID: AID was the leader, even more of a leader than the World Bank, when I started in 1962. You had at least 10 Mission Directors who ran major program missions. When a bank team went to the field that is who they stopped in to see to get briefed. These directors and their senior staff had ministers as counterparts. Bit by bit, the Agency lost that role. The Vietnam War had a major negative impact. We went into the war period as a direct hire agency and came out as a contracting agency, which fundamentally changed the way the agency worked and the capacity of the agency. We went into that period an outward looking agency building broader teams and came out inward looking preoccupied with our internal problems and managing our "own" program. I think from my own perspective, and admittedly it is a Washington perspective, we were never prepared to make the changes in the Agency, the kind of very fundamental changes the

external environment would dictate. We didn't want to focus and concentrate our program. We weren't prepared to rethink our field relationships and building core competencies with our limited staff. We never really coordinated, except on individual cases, that much with the World Bank. We still thought we were running major country programs and yet we no longer had either the human resources or the dollar resources to do major country programs. In Turkey, we had \$150 million program and the Mission Director sat down with the Minister of Finance frequently. When you are in a \$4 million TA program you don't do that. You take on different types of activities. When you couple that with making your technically skilled people "multi-sector officers," you also lose your professional competence.

Q: What about the agency as illustrated in your own career as a pioneer in the development business over the year?

LANGMAID: Yes, AID had been a pioneer, but as the resources and staff declined less so. Frankly, when you couple that with a weak Administrator, we could not even hold our course. In child survival, where we were a pioneer, face it, ORT came out of the diarrhea research lab in Dacca, a program which for five years AID had been trying to kill.

In the earlier days we were where the game was. I don't mean to say we are not still an important part of the game. In Egypt and in some other missions we played an important part and no one is going to sneeze at a \$1.5 billion program. But in many other areas, we are marginal.

The thing that I find most disturbing is that AID does not have the people who are really experts in the field. My image is Turkey, Afghanistan and Pakistan where your ag chief sat down weekly with the Minister of Agriculture and talked about their economy and had a policy agenda. You don't have people who come close to that level of competence now. You can sometimes manufacture that through contractual relationships, but that is hard to sustain.

I have a hard time seeing where AID goes from here. I have no doubt that foreign assistance will remain an important part of US foreign policy, but I am not sure how that gets packaged organizationally and how it gets managed.

Q: Do you think the foreign assistance program has made a significant impact over the years?

LANGMAID: Oh, yes.

Q: How would you characterize that?

LANGMAID: In the Koreas, the Turkeys, and the Jordans of this world we have been successful. We have made contributions in agriculture. If you look at India, it went from a major importer of grains to a significant exporter. There is a whole range of things in which we were either the dominant player or a significant player over time, at least in the

country areas I was involved in. When you look at 35 years of change, the sixties until now, in the development countries, there are many countries a lot better off. They are making their own decisions and depending on institutions that AID played a role in developing. When you think of how little a percentage of the U.S. budget going to assistance this is clearly a low cost alternative to crisis situations. If we can facilitate the former Soviet Union moving from a communist regime to democracies, it will be a remarkable achievement.

I came into AID at a very exciting time as a GS-11. I couldn't have asked for more responsibility and being involved in more exciting issues than I was. I was an office director before I turned thirty. I had bosses who gave me a lot of room to maneuver and had a lot of fun doing it. But, as you get more and more senior jobs you get a different perspective on the overall politics of the environment. It was tough to see AID go from being the leader to being only a dominant leader in select areas, then a partial leader to really not being a leader at all.

Q: What would you say to a young person who asks if you would recommend a career in foreign assistance?

LANGMAID: I wouldn't hesitate approving a career in foreign assistance, but I am not sure I would recommend a career in AID. If I was advising folks who really wanted to work in these kinds of issues I would direct them more towards the PVOs, the World Bank and some of the other institutions. I don't think the development work is what AID is about any more. It has become too much a contract management Agency focused on its own program.

Q: Thank you. Well, this has been an excellent interview.

End of interview