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ANTHONY MILES SCHWARZWALDER

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INTERVIEW

[Note: This interview was not edited by Mr. Schwarzwalder prior to his death.]

Q: This is an interview with Anthony M. Schwarzwalder on behalf of the Association for Diplomatic Studies and Training, and I'm W. Haven North. As a preview, Tony, if you could give us just a very nutshell version of your career at AID. After the overview we can go into details on each assignment.

SCHWARZWALDER: Sure. I started working for the Development Loan Fund in November 1961 just before the merger that created AID (Agency for International Development). I've had three long-term assignments overseas in Jordan before, during, and after the 1967 War; in Pakistan (West and East); Bangladesh before during and after the creation of Bangladesh; and in the Philippines, which included the assassination of Aquino. So, a lot of people feel like I'm a hoax when I go overseas. In between those times, I was fortunate enough to spend two years in academia, one at the Woodrow

Wilson School at Princeton, and one at Johns Hopkins, where I got an MPH (Masters in Public Health). My Washington jobs focused on Africa in the early days after independence. Then overseas and then back again for some interesting jobs. I eventually served as the Deputy Assistant Administrator for the newly created Office of Private Voluntary Cooperation. I was at one point the special assistant to the head of LAC (AID Bureau for Latin America and the Caribbean). Things of that sort were quite interesting both overseas and in Washington.

Q: Okay. Let's go back for a little bit of background information on where you're from, where you grew up, your education, and so on, with some orientation toward what might have influenced you to get into international development.

SCHWARZWALDER: Born in 1940 I grew up in Arlington, Virginia, went to local public schools there, graduating from Washington-Lee High School. I then went on to Wesleyan University up in Connecticut at a time when John Masey, who was one of my main heroes in the Civil Service, was the vice president of Wesleyan. It was there that I really got interested in international affairs. I actually lived in John and Joyce Masey's house for two years and took care of their children in exchange for some very informal seminars with him and two of my best friends. My interest in international affairs was also prompted by my father. We moved into Arlington in 1940 when he took a job with the Bureau of the Budget, now OMB (Office of Management and Budget), and worked on international affairs, including some of the intelligence questions. He did some traveling overseas. He would come back with stories about Ethiopia and various places that also intrigued me.

Q: What years were these?

SCHWARZWALDER: I was at Wesleyan from 1957-1961. I graduated from Wesleyan in 1961 which coincided with the election of (John F.) Kennedy. Rather than going on to graduate school at that point, I wanted to be part of the corps that would go out and save the world.

Q: What was your major?

SCHWARZWALDER: It was actually called "government," which was sort of an interdisciplinary approach. John Masey was part of that. He was my tutor for my honors study.

Q: What did you do your honors study on?

SCHWARZWALDER: It was on an operational organizational history of the National Security Council. I also then, because of a dating relationship, got to know Bryce Harlow, who was of the same caliber but on the Republican side. He had actually helped write the legislation in 1947 that created the National Security Council. So, I had great fun sitting with him going through my paper.

In the middle of that, John had a call from Pierre Salinger offering him a job as the head of the Civil Service Commission in the Kennedy administration, so he left Wesleyan. I finished this back and forth, shipping it back and forth to him.

I've just always been interested in international things. Clearly, a couple of people had a great impact on my thinking. Certainly, the Kennedy administration, with the beginning of the Peace Corps, I had much more interest in countries in Africa, Asia, and Latin America.

Q: You graduated in 1961. Where did you go?

SCHWARZWALDER: I went to work. I spent the summer in Europe, but then when I came back in November 1961, I was able to get a job with what was then called the Development Loan Fund.

Q: How did that come about? You simply had a bachelor's degree and so on.

SCHWARZWALDER: I have to be honest and say my father had something to do with that. He knew people over there. I know, Haven, that you knew some of those people (Art McLaughlin, Ed Hutchinson, Al Disdier, and people of that sort). I ended up working in my first job in Africa. As an undergraduate with no other experience, I was the number three person working on African programs. That is because there were only two other people working on African programs. This is when AID was doing, infrastructure-type work. We had about $150 million throughout Africa, which in 1961 and 1962 was a significant amount of money. I can remember the first cable that I ever wrote. There was a question that ended up saying, "Can we proceed and do this?" I talked with Al Disdier and George Scaria and they didn't think it was a good idea, so I sent a cable that just said "No." Al took me under his wing and he said, "Son, you're working in the government. You just can't say 'No.'" So, I learned how to write with a little bit more explanation than that. That unit then became part of the merger.

Q: Before we go there, what was your understanding of why the Development Loan Fund was created and what was its role and function?

SCHWARZWALDER: It was created during the Eisenhower administration. The idea was to try to put some part of development onto a more "businesslike" approach, especially since then the predecessor agency, ICA (International Cooperation Administration), was doing all the technical assistance work and the Development Loan Fund was doing the dams, highways, airports, and so forth. They were put on a loan basis. Initially, they were repayable in local currencies at rates that were fairly close to the rates in the country. Then when AID legislation was passed in November 1961, that concept of lending was continued into the new agency, but these loans were dollar repayable and put on long-term (30-40 years) 10 year grace period and then low interest and so on because they were repayable in hard currencies.

Q: Do you remember any projects that you worked on?

SCHWARZWALDER: In the Development Loan Fund, I started a few activities that actually then became reality. Yes, one. One that was really interesting was a tiny project that was funding a saw mill in Liberia. It was supported by a group of African-Americans in Detroit, mostly tied to one or two churches. It was really quite fascinating. It cost something like $190,000. The files were just enormous on this project. There was so much back and forth, discussion, and difficulty in Liberia and difficulty with the understanding of development of the people who were supporting it. I guess I learned a good lesson there: you can spend a lot of time, a lot more time often, on small projects than you can on large ones. We were doing some others like the Volta River Dam in Ghana, which I was not the lead on, but was involved in a little bit. I began to work on the Trans-Cameroonian Railroad in Cameroon, which then became a reality in AID when the unit that I was in was shifted over and made part of AID. We were doing this brand-new exciting idea of development lending so that eventually I went out and actually led a team to negotiate a loan agreement for the Trans-Cameroonian Railroad. But that was in AID. My time with DLF was not that long.

Q: Did you have any particular development strategy or philosophy in DLF?

SCHWARZWALDER: Not that I can recall as a young undergraduate. I can recall one experience that also really sticks in my mind. Both of the other two guys in Africa, Al Disdier and George Scaria, were out of the country. There was a meeting with Assistant Secretary of State Soapy Williams. They were trying to figure out what countries were really going to make it in Africa. They were using Rostow's theory of stages of development [Ed: Walt Whitman Rostow published The Stages of Economic Growth: A Non-Communist Manifesto (Cambridge University Press, 1960), which postulates that economic growth occurs in five basic stages, of varying length.] which had caught on in the Kennedy administration. I don't remember all the countries, but I know that countries that were targeted at this meeting to be on the fast track for economic development were Mauritania, Liberia, and Gabon, among others. There were probably some others. I don't remember the whole list. But it was strictly based on raw materials. Mauritania had bauxite. Liberia had rubber. There was not a single appreciation for human resources, politics, or the transition from colonialism, all of those things that are so clear to us...

Q: We've learned since.

SCHWARZWALDER: That was really quite an interesting baptism.

Q: In November 1961, legislation merged the various parts of American aid bureaucracy. What was the reaction of the Development Loan Fund of the idea of being merged with ICA and then creating a new agency?

SCHWARZWALDER: I guess the DLF had a total of something like 150 people, secretaries and the whole business, working. Certainly, there were apprehensions about getting married to an organization that had something like 7,000 people working in ICA. So, the lending stuff became sort of a crusade as a new way of doing development,

somewhat naively because of all of the lack of understanding of some of the other human side of...

Q: What was your understanding of why AID was created, why they decided to reorganize?

SCHWARZWALDER: Kennedy wanted to try to rationalize the various organizations that were working in development overseas. I don't think an organization like Commerce was that involved at that point, but the Export-Import Bank was the other one. So, the idea was to merge ICA, the DLF, and the Export-Import Bank. They managed somehow to wiggle their way out of this...

Q: Not the Peace Corps?

SCHWARZWALDER: No, I don't think the Peace Corps was ever considered being folded in. The Peace Corps was just being born basically and had a whole other different type of agenda. So, it basically became ICA and DLF.

Q: What was your job when you were merged? What happened to you?

SCHWARZWALDER: I was a loan officer working in an office of then maybe seven to nine professionals on Africa headed by Miles Wedeman and Al Disdier. Since my French was passable then, I tended to work more on the French-speaking countries, so I developed some projects, went out and negotiated them, and prepared them on Guinea, Mali, Senegal, Madagascar, Niger, and Cameroon (the Trans-Cameroonian Railroad). So, those were places where... I was going out a couple of times a year. That was then and still remains one of the most exciting times of my career. It was right after these countries gained their independence.

The ones that I was dealing with, of course, were former French colonies and they were really eager to show some level of independence from the French, so that even though the USAID program was very small relative to all the huge support of the French, it was very well-received. They were very eager to have it to the point where when the group went out, a couple of us, to work on the Trans-Cameroonian Railroad and we ended up having dinner with the Vice President of Cameroon. That is where I had my first lesson in diplomacy. The Vice President was from the west and the engineer we were working with was from the east part of Cameroon. There was a lot of tension between the former British and French. I was sitting across from the Vice President and he said he really enjoyed going to the United States and one of the things that he really, really liked were hot dogs. He said, "Hot dogs are really great fish." My colleague from the other part of Cameroon, the engineer, said, "Excuse me, Mr. Vice President, but hot dogs aren't fish." The Vice President said, "Have you ever been to the United States?" He said, "No, but I know hot dogs aren't fish." So, of course, he said, "Let's ask our colleague from America." My first challenge of whether you go with honesty or whether you go with diplomacy. I could see this coming, so I made a quick calculation that I had to deal more with the engineer and I probably would not see the Vice President again, so I had to tell

him that they were not fish.

Those were fun days.

Q: What were some of the other projects you worked on?

SCHWARZWALDER: One was in Guinea. It was electrification of five rural villages with just small generators. It was the first real exposure to how you can really reach the villages and the value of something that is not big and bulky. It was particularly interesting because in Guinea there was huge political pull and tug (the Russians, the French, the Brits, the Americans) mainly because of the bauxite, and the other donors were doing just horrendously stupid things such as financing Mercedes trucks with no maintenance. They would run out of oil and be sidelines. The Dutch had 40,000 pre-fabbed houses that were sitting on the tarmac getting wet. The Soviets were doing a radio station, which was clearly intended for all of West Africa, but they built it on top of a mountain with bauxite. The radio waves went about 100 feet out and right into the mountain. They couldn't even be heard in Conakry! There was all kinds of stuff going on. The fact that we were doing this really small but very useful project there was quite exciting and really a revelation to me.

Q: Do you know what happened to that project?

SCHWARZWALDER: No, I don't know over these years. I was involved with a bridge over the Niger River to Niamey. That was really fun. I was out there. I visited the site. Across the river was nothing. To put together the project paper with other people justified that. Then I remember sitting in Ed Hutchison's office. He was the Assistant Administrator for Africa, the first one in AID. He had gotten a note or something that the bridge had been named the John F. Kennedy Bridge. There was a high school student there in Niamey who wrote a poem about the bridge and about Kennedy and how wonderful Kennedy was. I haven't been to Niamey for decades, but as far as I know, it is still called the John F. Kennedy Bridge. So, that was quite fun.

We were also doing a little railroad project in Madagascar between Antananarivo and the coast, improving the bridges especially for the railroad. The thing about that was that the President of Madagascar came and visited the White House and there was virtually no interest in Madagascar on the part of the U.S. strategically or whatever. So, they called around and said, "Is there anything happening" and it turned out that a couple of guys and I were going out there to work on this bridge thing, so we became the emissaries from the White House. We spent lots of time, ate lunches and dinners, etc. It was really quite fun. So, I learned something from that. Take advantage of whatever is going to happen and if you can get some good public relations out of it or whatever, that is all the better.

There were a couple of others. Traveling around Africa, as you well know, was quite a challenge, flying on Air Mali and airlines that were just a year or less old, with DC-4s and so forth.

Q: The Trans-Cameroon Railroad was a donor project. Were you heavily involved with all the other donors in putting that together?

SCHWARZWALDER: No, I wasn't. We had our part of it. We put that together and did a lot of the design?

Q: What was our part?

SCHWARZWALDER: I believe that some of the other donors came in later. I think the design that we worked on was quite comprehensive and then some of the other donors (the French and the British) picked up...

Q: That is a very important project still today.

SCHWARZWALDER: The Volta River Dam is turning out to be somewhat of an ecological disaster.

Q: Any background on the Volta River?

SCHWARZWALDER: No. George Scaria was the one who was writing all of that. I did a couple of other things. In Senegal, there was a little vocational training center. In Bamako, there was a veterinarian lab or something like that. But the biggest ones were the ones we talked about.

Q: What kind of issues did you have to deal with?

SCHWARZWALDER: For me, just doing the analysis to the point where it would pass muster was a great challenge, not having had any training that would help you with that in undergraduate school. So, that was one of the big personal challenges to understand internal rates of returns, run these things out, and so forth. In the countries themselves, they were generally very receptive. In the smaller ones (Senegal, Guinea, and Mali), there were no serious problems. They were happy. In fact, they really wanted a lot more money. I remember, when I went out to Cameroon... Because the structure was set up where the loan officer was the chair of a group of people including a lawyer, an engineer, the desk officers, and so on, I ended up being at least nominally the head of it. So, I can remember, when we negotiated the agreement on the Trans-Cameroonian Railroad, it was the first AID agreement had ever seen. The people who were negotiating on the other side, including their lawyers, who were all French-trained and not used to an agreement that was so basically one-sided... A lot of it was, "Here it is. Take it or leave it." They were also highly skilled in the French art of negotiation and rhetorical flurry. It was an 18-20 page document and we spent an average of an hour and a half per page discussing these agreements. It was totally new to them. At the beginning, it was more like two to two and a half hours a page. Then they finally got into the swing of this and they understood that this was more unilateral and more practical than some of the French agreements. So, it was quite an experience to do that. Art Handley was the AID Mission Director.

Q: How many years were you in this position?

SCHWARZWALDER: I started in 1961 with DLF which quickly folded into AID. In 1966, I was asked if I wanted first of all to go to Turkey to be a loan officer in the Turkish program.

Q: Before you go to Turkey, given that you were in the Africa Bureau for about five years, at that time, did you have any sense of what the development objectives, thrusts, or policies were, why we were doing things and what we were doing?

SCHWARZWALDER: I think that, at that point, a lot of it was pretty ad hoc. Certainly on the lending side of it, it was what kind of projects can you put together. I think, since it was pretty new and there was probably a lot of residual thinking about all you have to do is sort of replicate the Marshall Plan in Africa, the Middle East, and so forth and you'll have successes... The closest I can describe was at a meeting I sat at where people were talking about countries based on just their raw materials. I think it was mostly just where we could develop something and bring it to fruition.

Q: What was the interrelationship between the development loan capital project function and the technical assistance function? These were two major streams that were now being brought together. How did you see that relationship?

SCHWARZWALDER: I think those of us who were in this new mission of lending and so forth were a tad bit arrogant. We felt that this was the new thing, this was the current vogue, we were riding the wave, we had a lot of younger people who were highly motivated and traveling a lot, etc. It was very exhilarating to be part of that, but certainly there wasn't a lot of interaction that some of the technical people had... Again, because the ICA technical assistance was a lot different than construction, infrastructure type things. We had engineers, lawyers, economists, and so forth, but not so much the technical assistance things that evolved over the years.

Q: You were a separate unit within the Bureau completely?

SCHWARZWALDER: Yes. I think I met you then somewhere along the way.

Q: You're probably right. Then you finished up there.

SCHWARZWALDER: I was asked by Ted Lustig, who was working on Asia/Near East or whatever it was called then, if I wanted to go to Turkey to be a loan officer there. I was very, very excited about that. After we talked about it, I didn't hear anything for a while. Also, the Indo-Pakistan War was happening, so that was causing people to get pulled out of there and be reshuffled. He finally got back to me and said, "Well, we decided we're not going to offer you Turkey. Somebody who is more senior is going. But we'd like you to go to Jordan." I was initially very disappointed until I actually talked to a couple of people who had been in both places. They said, "Go to Jordan. The people are great to

work with and are very competent. In fact, it's easier to get things done there than in Turkey." So, I did. I arrived in January 1966.

Q: You were the loan officer?

SCHWARZWALDER: I was the loan officer. There were two senior engineers (again, because it was infrastructure) who obviously took the lead in a lot of that. My job was mainly to try to write the projects up and justify them and so forth. The main thrust of the whole effort that I was a part of was that, up until then, the U.S. government had just given budget support to King Hussein, no ties. Of course, that was happening in Israel as well. The objective was to put some of that money into projects, something a little bit more tangible than just budget support. My job working with Mission Director who then was Joe Wheeler and working with the engineers, lawyers, and so on was to work out possible projects. That is when the West Bank was still part of Jordan.

Q: What was the situation at that time as you saw it from the development point as well as the political? What was the context in which you were working?

SCHWARZWALDER: At that point, Jordan was politically calm. The Israeli situation seemed to be relatively manageable. His concerns were more with the Palestinian groups, even then. Having the whole West Bank to work with at first... One of the interesting ones was that tourism was just really beginning. The airport in Jerusalem, which served Jordan as well, was really shot. There were huge dips, craters. We went out and watched Egyptian Air land. We were standing at one end of the runway and it went completely out of our sight of vision as it went down and came up. It was sort of bouncing from side to side. So, one project was to upgrade the airport. Tourism was a great source of foreign exchange. We also had a pasa (or whatever they were called then) with the National Park Service. We had something like 13 Americans there advising them on their various sites in Petra, Aqaba, Jerusalem, and out into the area where the Romans had been. We also had a project on what was called the "East Ghor Canal," which ran parallel to the Jordan River and was basically bringing irrigation to areas that were totally dry. There were enormous increases in production even after the base was established by the introduction of irrigation.

Then the war came [Ed: The June 5-10 Arab-Israeli War]-and the Israelis took the West Bank and flew over and shot up a lot of the construction equipment on the East Ghor Canal. The projects there on the West Bank were really totally in limbo. I had an opportunity to be really a very small bit player because these were my projects, but it was a very interesting negotiation that went on. There was a time when the Jordanians and the Israelis were not talking at all. But the man who was working on the airport in Jerusalem was an American contractor who had these guarantees against war and so forth with OPIC (Overseas Private Investment Corporation). So, he had about $1 million of equipment, which in that time was significant, all with AID clasped hands. This was sitting on the runway in Jerusalem when the war started and the Israelis swept through. He came to the embassy in Amman and said, "I cannot negotiate with the Israelis because of a blacklisting program that the Arabs have." If he had negotiated to get his equipment

off of the West Bank, he would have been blacklisted throughout all the other Arab countries and he had business going on. So, what happened was that there was back and forth discussion between Joe Wheeler [Ed: AID Administrator, Amman Jordan] and the embassy in Tel Aviv on how to resolve this. Actually, the U.S. government went to the Israeli government and said, "If you don't return this equipment, we'll deduct your foreign aid program by the amount of the equipment, which is $1 million." So, the Israelis said, "Fine, we'll return this equipment." But by then, the military had used a lot of it and some of it was even up in northern Israel. Some of it had been used to, regrettably, and it all had the AID hand clasps, knock down Arab housing to clear a way to the Wailing Wall. I actually was over there once and saw some of the equipment with the AID hand clasps. So, anyway, what they decided to do was that the army would round up the equipment and they would drive it through the West Bank. Of course, you have the Jordan River, which is the boundary, and the hills on both sides are quite dramatic. They're not really huge, but they're very windy. The Israeli army would drive the equipment down, stop it right in the Jordan River, which was shallow enough, leave the keys in, march back up to the hills on the West Bank, 20 minutes would pass, the Jordanian army would march down, turn on the keys, and drive the equipment back to Amman. So, that was the first even tacit relationship that they had after the 1967 War, over this AID equipment. It was quite fascinating to just be sitting around during some of the discussions. I didn't play a significant role, but it was just such a fascinating exchange.

So, I was there from 1966 to 1968.

Q: Was your role just on capital projects or were you involved in other technical assistance projects?

SCHWARZWALDER: Most of it was capital projects until after the war. Most everybody was evacuated. Because we were awaiting the birth of our first daughter, my family and I had left and gone to Greece before the war. The ambassador was getting people (all the American dependents) out of Amman. He very cleverly did that before the war actually happened. So, the amazing thing was, we were out on Mykonos, a couple people just relaxing, and a guy comes up and says, "You have a phone call." We had only told a couple people we were going to Mykonos, but not where we were staying. It was Joe Wheeler saying "I want you to come back right away." So, other than two or three people who stayed there the whole time, I was the first AID person to come back into Jordan. That was quite interesting.

Many of these projects were on the West Bank and were really dead. So, then there was a very small mission with just a few people. Joe basically assigned me to be the program officer supervising these people from the Park Service, trying to figure out what to do with their projects and so forth. So, that was a great opportunity.

Q: Do you have any sense of the impact of what you were doing?

SCHWARZWALDER: I think most of it was destroyed. Of course, the airport was eventually upgraded by the Israelis. The East Ghor Canal was... There is a funny story

that I'll tell you about the East Ghor Canal. This is really interesting. The bidding for that was limited to either American or Jordanian firms. It wasn't a big project, so no American firms bid on it. When the engineer, who was a very senior engineer and his assistant, Emory Roberts and Dick Dangler, when they opened the bids, the lowest big was submitted by a man named Danny Shimon, who was the son of the President of Lebanon, the one who Eisenhower landed troops in 1957 to protect. He was a Christian. So, Emory prepared for this meeting. He said, "I have to tell him we can't accept this because it's not Jordanian." So, he started his spiel. I was just sitting in the back watching all of this. Danny Shimon reaches into his pocket and pulls out a Jordanian passport, throws it on the table, and says, "Who amongst us is not a Jordanian?" He got that from King Hussein in order to win this bid. That was the one that was going on right by the Jordan River that was shot up. He didn't have OPIC coverage, but he submitted all his list of things, which included like three or four Mercedes that were on the site. So, that was quite interesting.

Q: Did that canal and the irrigation program go on?

SCHWARZWALDER: Yes, eventually, when things settled down. I don't believe there was any AID assistance. I don't know that. There probably was. But basically, that was such a boost to the economy, to agriculture, to growing fruits and vegetables in the off-seasons.

Q: The project now is still functioning?

SCHWARZWALDER: Yes. I don't know the size, but it was so dramatic. Those hills there on both the east and west side are just barren as anything and then you can see all the green.

Q: Were we involved in the agricultural side?

SCHWARZWALDER: Yes, there were people who were helping with advice.

Q: It was fairly comprehensive.

SCHWARZWALDER: Yes, and also some of the marketing. They hadn't really done much marketing outside of the Middle East at that time.

Q: Well, you finished up in Jordan.

SCHWARZWALDER: I finished up in Jordan. By then, the Mission Director was John Funari. He wanted to nominate me to go to what was called mid-career training. I was 27 or something. It was at Princeton at the Woodrow Wilson School. I also knew from friends that my name was on a list to go to Vietnam, which I opposed, not just for my own personal safety, but I was very concerned about the whole Vietnam thing.

The senior most person that I could tell in AID/Washington that I wouldn’t go to Vietnam. Joe Wheeler was back there. I sent him a letter and said, "I'm prepared to quit

rather than go to Vietnam." So, that was in the works at the same time. There had been a letter sent out that anybody's career would be dependent on their willingness to go to Vietnam. The thing for Princeton was also being worked on. I guess what really probably saved me from Vietnam and maybe let me continue in my career (because I was serious about quitting) was the Tet Offensive. At that point, they stopped recruiting people to go to Vietnam. The Princeton idea was far enough along that I got to do that instead.

Q: What years were you at Princeton?

SCHWARZWALDER: 1968-1969.

Q: What was the Woodrow Wilson experience?

SCHWARZWALDER: It was wonderful. It's a non-degree program for the one year, so you could do almost anything you wanted. I spent a fair amount of time feeling like I was getting caught up a little bit on the U.S. We had a very interesting discussion group on race relations. I can remember one discussion (This was in 1968.), a professor talking about how vulnerable cities in the U.S. are to terrorism and sabotage. I just took a variety of different classes. It was really wonderful. The people who were there in this program were from all over the government.

Q: Did you take any particular courses?

SCHWARZWALDER: There was one broad one on economic development. There was one on urban development.

Q: Did you write papers?

SCHWARZWALDER: Yes, I did all the class work and wrote papers. I got feedback on what I did. There were a lot of activities for the mid-career fellows. There were other discussions. It was really the first time to really get into some of the issues around race relations in the U.S. I had been pretty oblivious to that even in the early 1960s.

Q: Did it have an international development flavor or-

SCHWARZWALDER: It was both, but I really found that I enjoyed some of the U.S. courses as well.

Q: Did you have to write some thesis?

SCHWARZWALDER: No, not a thesis because it wasn't a degree program. But one of the papers that I wrote that I thought was really fun to write was that Jacob Javits, the Senator from New York, was then introducing legislation on community banking, which was very similar to the development banks that AID had supported in a number of countries in terms of some subsidized lending, some social objectives, but still trying to keep things on a businesslike arrangement. But basically the idea of the paper was... I

don't think much had been written on learning from overseas experiences in developing countries as opposed to in Western Europe things that might be relevant, especially to some of the efforts to alleviate poverty in inner cities or in the rural areas. So, I did an analysis of what he was proposing and what some of the experiences had been. I pointed out that there had been rather similar attempts done in different countries in Africa. So, that sort of coalesced the two, the international experience and the U.S. interest.

Q: After Woodrow Wilson, then you headed back to work.

SCHWARZWALDER: I had to go back to work. The guy who had been ambassador in Jordan was then a senior person in the Latin America part of the State Department. Latin America operated differently that other geographic bureaus in the Department. It was an experiment on where you have AID and Foreign Service people in the same offices, some headed by Foreign Service, some headed by AID, and so forth. He was the head of Personnel. He called me down and asked me if I wanted to work there. I ended up working as the special assistant to the Assistant Administrator for AID/Latin America, who was Jim Fowler. He was followed then by Herman Kleine. Most of that time it was Jim. As a special assistant, you put in long, hard hours and you do a lot of things. You call people up. You're Mr. Fix It and all that. The part that was interesting to me was that my counterpart, who was working over in the Assistant Secretary of State's office, was also interested in trying to make this experiment, this back to back thing, work. Whenever anybody got out of line, especially in AID, you'd find sometimes where they would go directly to the Assistant Secretary and not through the Assistant Administrator and so forth, and vice versa. He would let me know about it. Then either with Jim or somebody, we would try to sort that all out and make sure that people were playing by what were supposed to be the rules.

Q: What was your understanding of this back to back arrangement?

SCHWARZWALDER: Obviously, the antecedents to that are the roots that go back to the Alliance for Progress, which was the Kennedy initiative in about 1963 and the idea that there was a totally different relationship between Latin America going back to the Monroe Doctrine and all other kinds of connections that made it a special place and that the politics were different because of that than they were in Africa, the Middle East, and certainly much of Asia at that point. So, it was an attempt to merge the broader political agendas on all of the various contacts that were going on with groups and individuals in Latin America and to bring the development effort more into the mainstream of that.

Q: How was the integrated arrangement structured?

SCHWARZWALDER: Well, they had the office directors. They could be either AID or State. The regional officers for Central America or South America, the two or three different ones... So, at that level, there would be complete integration of the two. The technical people were sitting on the AID side, but they were brought into discussions on the developing AID programs. The Assistant Administrator for AID actually had the title of one of the Deputy Assistant Secretary of State (There were a couple.). So, he had that

other title and nobody in AID had that kind of a title. It's hard for me to judge how well it worked.

Q: Did you have a sense that there was a lot of State political push in direction to what you should and shouldn't do, where you should go, and so on?

SCHWARZWALDER: Absolutely.

Q: It was a highly politicized development effort?

SCHWARZWALDER: And one of the other big issues was the sale of military equipment and how to do that and whether people were opposed to who were especially in development or concerned about the resources. The justification was always "Well, if they don't buy the military equipment and the airplanes from us, they are going to buy them from somebody else anyway, so we might as well get the sales." So, there were a lot of issues of that sort. Even when I was there, the Colombia program was being scaled down because of the economy at that point - and Brazil likewise. There were still mission directors in both places, but they were basically phasing down and working more along the lines of what do you do after countries "graduate," should we have more exchange with the universities and technical organizations in the States, back and forth, and so forth? It was a pretty short time. It was only about a year and a half.

Q: Were there any particular issues that you had to deal with?

SCHWARZWALDER: The most interesting one was not a program issue at all.. On the program side at that point, the Latin American Bureau had a lot of really, really strong people who had been there for years and years and years. Jim Fowler and then Herman Kleine were very strong people. So, I was more of a classic special assistant. I think one of the interesting things that happened then was, there was the housing guarantee program. I ended up taking a call because Herman was away. It turned out to be Senator Williams from Delaware, who was the head of the Senate Ethics Committee. He said, "I want to get all this information about the Housing Guarantee Program, what it does, how many loans we're giving, when were they given, who were they given to, etc." I guess I look back and I had the presence of mind to say, "Well, please give this to us in writing so we can respond." He was very upset about that. I think it was the next day that the story broke in the papers that there was going to be an investigation of what was going on in the Housing Guarantee Program. He obviously wanted to scoop that. He was very upset. Then I got a call from somebody from the Republican National Committee, who also was getting involved. I can't remember exactly why. She even went as far as to say, "Well, you sound like a pretty bright young man. I assume you want to continue your career in AID. I would expect that you'll give me these things. Please give me your full name. I'm going to be writing your name in the memo of conversation that I'll be reporting what you said to me in." That just died out. That job was not so much about program stuff for which strong and talented people were in place. It was more how you deal with some of these crazy things that pop up: hiring, firing, and the organization of these outside calls from people that were pretty ruthless. So, that was kind of interesting,

but by then, Joe Wheeler had gone to Pakistan to be the Mission Director. He wanted me to join him there.

Q: This was what year?

SCHWARZWALDER: November 1970. I went there as the... I forget the exact title of the job, but it was working on evaluation and research activities for all of Pakistan, which was both East and West portions at that point. There was a big office in Islamabad. There was an AID REDSO (Regional Economic Development Services Office) office in Karachi, one in Lahore, and 50 or so Americans in Dacca. This was at the time when the logical framework was just coming into vogue, so one of the things I was supposed to do was work on that and organize a seminar that had created-

Q: That was a very different role.

SCHWARZWALDER: Yes. However, it didn't last very long. It lasted about a week. Actually, when I got there to Islamabad, it was the day after the cyclone in East Pakistan that had killed an estimated 400,000 people. [Ed: Wikipedia reports the 1970 Bhola cyclone was a devastating tropical cyclone that struck East Pakistan (present-day Bangladesh) and India's West Bengal on November 12, 1970. It remains the deadliest tropical cyclone ever recorded. Politically East Pakistan revolted and became Bangladesh a year later.] The numbers were estimates, but it was something like the third or fourth largest natural disaster in the history of the sub-continent. I was supposed to go to Bangkok for a meeting on evaluation, so I did that. Joe asked me to stop by and to give some thought to how to move from immediate disaster to rehabilitation and also back to development. It was on helicopters flying in the delta in East Pakistan within about two days after that happened. Lots of destruction. Lots of islands. Over the previous 10 years AID had built a lot of dikes. They're called "polders," but they're dikes that were done by headbasket working and Food for Work, getting paid in food, all along the coast in this delta. It changed the map. All of the silk from Nepal that comes down through these huge rivers and all of that... So, it was about half-way through this 10 or 15 year project to build all these dikes when this cyclone came. It was a 100 year occurrence in engineering terms. The waves were something like 20 feet high. The land there is totally flat in the whole delta. It is maybe two to three feet above sea level. So sea water rose over the top one of these polders and get inside one of these islands that were dotted all over the place. When I was flying over there with a helicopter, he said, "You're looking to see wherever there are tall trees. If they're close to 20 feet, people survived. Otherwise, they were washed away." They got inside there and it just burst the dams because of the pressure. So, that was very traumatic, the first brush with really a natural disaster of any sort. I had dealt with some of the manmade disasters in Jordan after the war, but this...

Q: What did you recommend?

SCHWARZWALDER: Initially, what happened was, that trip was only a two or three day trip. I went back to West Pakistan. Eventually, I flew back and forth 50,000 miles. You couldn't overfly. I flew 50,000 miles between Islamabad and Dacca trying to work

that through. It was still pretty much an emergency response thing, because it was so huge. Then, by 1971, which was only about a year after the cyclone, the Indians intervened in East Pakistan. So, then again, everything that was happening... Bets were off. I was back in Islamabad. We were evacuated to Kabul, Afghanistan. We spent Christmas in Kabul. Almost the entire official community was moved out of Pakistan during that time because of the war because there was some bombing over West Pakistan.

So, the AID mission ended up sitting up in Kabul in sort of an annex to the embassy. Again, Joe Wheeler gave us the assignment to think about what will happen in an independent Bangladesh, assuming that that was what was going to happen. So, we spent a lot of time... We didn't have huge reference material, but we knew enough about the country to know all the basic information. So, we spent a lot of time up there sort of drafting a plan, in a sense, for how you move to rehabilitation.

Q: Do you recall any of the main thoughts in that?

SCHWARZWALDER: A lot of it was agriculture, some of the educational facilities, strengthening some of the teaching facilities. We gave some thought to but weren't very precise about the need to repair parts of the infrastructure, which became an important part of the program later on.

Q: Levies?

SCHWARZWALDER: Bridges, roads... The Pakistan army controlled the bridges, roads, the main areas of communication, but didn't wander out into the villages very much. They certainly did some serious killing from time to time. Those were eventually blown up or what they were blown up by what was called the "Mukhti Bahini," the Bangladeshi independence people. So, we did a lot of that. Then, when the war ended, I got the chance to go and try to implement ideas. By all accounts, Herb Reese should have been the AID Mission Director in newly independent Bangladesh.

Q: He was the desk officer?

SCHWARZWALDER: He was the desk officer. He was just another one of these wonderful people to work with. But he couldn't go for personal reasons. There was a lot of concern about whether we would be able to be established. Americans were seen as being pro-Pakistan, and the tilt with the Russians, and so forth. So, basically, what Herb did (and it was so wonderful and I learned so much from this) was essentially staff the mission with a lot of younger people who had high levels of enthusiasm and commitment and who could handle the fact that the runway was all shot up. You couldn't get out during the monsoon season. There was only one doctor. He was a western-trained doctor. He was usually on gin binges every once in a while. So, a lot of the day to day life was pretty demanding. So, he put together a staff of about 18 Americans and about 50 Bangladeshis. Over a period of a couple of years, we actually obligated $500 million.

Q: You were the first director?

SCHWARZWALDER: Yes.

Q: This was quite a jump for you.

SCHWARZWALDER: It was. It was never called an AID mission, but for a while, they called it the Office of Relief and Rehabilitation or something like that.

Q: Did we have an embassy at that time?

SCHWARZWALDER: Well, there was a consulate at first left over from East Pakistan days. Then, our first ambassador to Bangladesh came about a year after independence. [Ed: Herbert Spivack opened the embassy in Bangladesh as Chargé from May to October 1972. FSO Daniel Newberry succeeded him as Chargé and served from October 1972 to April 1974. The first ambassador FSO Davis Eugene Boster arrived on April 13, 1974.] So, yes, we had a wonderful staff, high motivation. People were working literally 14 hour days six to seven days a week. We had lots and lots of TDYs coming in, averaging one arrival or departure per day for about six months of people coming in to work on developing programs. First, food aid was very large. The volume of food aid was enormous. One of the things that AID did, contrary to our advice, was, they leased what was one of the biggest ships in the world (60-70,000 tons) used by Esso to carry oil. They cleaned it all out and filled it full of grain. It was so enormous that they couldn't come near the port in Chittagong, so it sat out about 10 miles offshore. Then they had to get Bangladeshi, mostly with these small boats, to go out there and offload this grain onto these small boats with these huge vacuvators.

Q: This was loose grain, not bagged.

SCHWARZWALDER: Yes. In fact, that's right. The capacity of the ship was 1000,00 tons and the amount of grain that was shipped was 60-70,000 tons. It was loose. So, it would come down this big, huge thing, and be blown... If you had any kind of waves out there... From the water line to the deck on that boat was probably two to three stories high at least, maybe more than that... There were these little boats out there that would be buffeted against... And it arrived at the time of the highest tide. There were three harvests in the Philippines on rice, of course, and this was wheat, which was an interesting discussion with the government, but it arrived right after the harvest that accounted for like 70% of the production of the year. The go-downs, the storage facilities, were pretty well full. So, I think then after that... Of course, the project was driven by fiscal years and when you could commit money and all that stuff. After that one year, Herb said, "This is ridiculous. We've got to take this out of the cycle." Then we started getting additional shipments at times when the production at the storage facilities were full.

Q: Did this distort prices a lot?

SCHWARZWALDER: It did, no question about it. There were these huge subsidized distribution facilities that they had. The idea was, it was supposed to go into those

subsidized facilities... I don't have any illusions that it all did, but there was that. It definitely did distort prices. I think that that is something that Bangladesh among other places helped us understand that how you respond to disasters can have a lot of effect.

Q: Did you get this grain distributed?

SCHWARZWALDER: I felt that it was pretty fairly distributed. We did have two audits. We had an auditor on staff who was really good, who was very interested. He made a couple of audits. We had two Food for Peace people on the staff who went around themselves. I think the distribution system worked quite well. There are no illusions. It is a big border. India, all of Calcutta and West Bengal was right across the border, and up in the north was northern India and Burma on the other side. So, it was a huge border. I am sure that some of it was filtered off, but I think given that it was a new government struggling with a lot of huge problems, they did quite well.

Q: They did this distribution?

SCHWARZWALDER: Yes, because there were huge numbers of PVOs (private volunteer organization) and NGOs (non-government organization), most of the big, the classic CARE, the CRS (Catholic Relief Service), Save the Children, and so forth. I guess CARE was involved with food because they were the ones who were overseeing the building of the polders, but a lot of the other ones were not really involved. They were doing community development or other projects. This poor guy, this really, really good friend, who was trying to coordinate all that from the Bangladeshi side... There were something like 70 different NGOs that showed up in Bangladesh. They were not all American, of course, but were from Western Europe and all over the place. A lot of them were going into very conservative areas and introducing new ideas and all of that kind of thing. This poor guy, Rob Chowdri, had to try to ride herd on all of that. It was a huge challenge for the government. They threw out one or two groups that were spending too much time proselytizing. But that was a very, very monumental-

Q: What other programs... You didn't spend all your $500 million on food.

SCHWARZWALDER: Food was the biggest. I think that was $250-275, so it was a lot of the budget. The other, some of that was infrastructure. You've probably heard of Camilla, the rural development academy that was both in West Pakistan and East Pakistan. That was about 30 miles from Dacca. It would take seven hours to drive there. A couple of bridges were knocked out and so forth. So, there was some of that. Basically, we had a couple of people working on the infrastructure and a couple of people working on some of the social, health, non-formal education, which was just beginning to become something of interest, on some of the agricultural support... But a lot of it in the early days was putting some things back together again.

Q: Mostly rehabilitation.

SCHWARZWALDER: Yes, so it was really not in the classic sense of development. It

was more like still helping them get established.

Q: How was the government to work with in those days?

SCHWARZWALDER: For the most part, they were really good. I had a tremendous respect for them because of the magnitude of the problem. I had basically open access to both of the ministers because of the size of the event. That opens doors. I can remember, one of the most ironic meetings that we had (Herb Reese was there.). There was AID from the 1950s that said any country that trades with a communist country has to be dropped. The Bangladeshis sent one shipload of jute to Cuba. In the middle of all this enormous outpouring and sympathy and all the things that were going on, there were people in Washington who wanted to kill the whole aid program. Herb and I went to talk to the head of the Planning Commission. We kind of went, "Wow, I'm sorry to have to do this, but we have to inform you that this is the case." Basically, they said, "Okay, we won't do this gain" and wrote a letter or something and the program got continued, but it was just so anachronistic. It was an interesting lesson.

Q: You had to threaten to close the program?

SCHWARZWALDER: Yes. There were these conservative people still in the Senate that were saying, "They broke the law. We've got to close them down." So, it was quite an interesting and very challenging-

Q: Were there any other major issues that you had to deal with?

SCHWARZWALDER: Yes. One was family planning, which was really an interesting challenge. The program in Pakistan, both West and East, I'm sorry to say, had not really registered much of an impact in terms of contraceptive prevalence. The last survey in East Pakistan before all of these events showed something like three percent of married couples practicing any kind of contraception. It was like seven percent over in West Pakistan. So, we tried to introduce that more aggressively in Bangladesh. One of the things that we did was (This was a forerunner to some of these computer presentations and all that.), we just said, "In five years, x number of additional kids are going to be school age. Y number of people are going to be added. This is what this means to the agricultural production. At this level, the country consumes this much. If it goes up this much..." We got that around to people, ministers and certain people in the legislature and so forth. The other reason why this was particularly tough was that Mujibur Rahman, who was the leading politician in East Pakistan and was jailed in West Pakistan but eventually was let out and became the Prime Minister, was highly inflating the number of Bangladeshis who had been killed by the Pakistanis. He would say something like three million. Other estimates were more like 30,000. I asked one of our Bangladeshis to go into the old city and just talk to people and write sort of a summary. Every person he talked to about family planning... This is where people die and are left on the streets because they don't have money to bury them... And it was a big issue before independence because of having more voters. Here they are, they're independent. Every person would say, "Sheikh Mujib told us we lost three million people. It's our national

obligation to replace them." So, it was a really tough sell.

Frank Wisner had arrived as the political counselor [Ed: July 1973 and departed around June 1974]. This was before there was an ambassador. There was a DCM [Ed: Dan Newberry]. Frank and I collaborated on a piece that was basically making the argument that there is no strategic, commercial, whatever interest in Bangladesh. It's not anything of the classic State Department analysis about what's important. What was important about Bangladesh was the development issues. It was one of the first efforts to put development up there as the political justification for being in this country because there was a huge response to that and a lot of feeling about Bangladesh and East Pakistan and a lot of sympathy. The Beatles did a whole concert for aid to Bangladesh [Ed: August 1, 1971]. It was a chance to really get development more into center stage. We said, "Okay, and what is the most important development issue that this country has to face? Population growth." So, we wrote this paper that was, of course, highly classified, that said that is what should be the center part of the U.S. government's involvement with the ministers, the ambassador, the AID director, everybody. It became rather controversial. It was felt that it was too delicate to really start discussing it directly with them.

Q: Wisner was an exceptional person, but it's interesting that a political officer would take that kind of a position. Normally, they take the standard U.S. interests role and certainly anything that is controversial like population would have been avoided.

SCHWARZWALDER: That is the first time I worked with Frank and spent any time with him. I got to admire him enormously for that. He had been in Algeria and Vietnam before then and was interested in development issues.

Q: What happened to your proposal?

SCHWARZWALDER: It was deep sixed. This is really interesting. I was back in Washington. Frank couldn't attend this meeting. I forget where he was. The meeting was with Herb Reese, Don McDonald, and Bruce Laingen, who was one of the Iran Embassy hostages. They just said, "This is just too sensitive to deal with right now."

So then I did some of this low-key-

Q: Too sensitive with Congress?

SCHWARZWALDER: Right.

Q: What were some other interests that we were worried about?

SCHWARZWALDER: I think it was more just sensitivity partly again going back to the pro-Pakistani tilt and the general skeptical feeling about Americans. So then I left. I did this low-key stuff. I even actually proposed, when they took the census, they could break down by village... They were actually able to go down to villages and they could say, "In the last census, there were x number of people in this village." When they did the next

one, they could say, "There are Y number of people in your village. Just think about that" and focus it down. Anyway, I left and then Joe Toner became the Mission Director. Within a year of his tenure, the World Bank and the Consultative Group was conditioning a lot of their aid on actions on family planning.

Q: Was there a large cultural objection to family planning or was it political?

SCHWARZWALDER: Both. Infant mortality was very high, too. On the culture side, only males can inherit land. So, you want to be sure that you have a son who outlives you. With high infant mortality and half of the births being girls, you have to have seven to eight kids just to ensure that one of them survives and can inherit the land. So, there are very, very strong cultural as well as this political stuff...

Another aspect of this issue were concerns that when the Pakistani army was still there in Bangladesh before the Indians invaded, they had a military cantonment right outside of Dacca. There were many reports that women were being taken there and raped. So, there was great concern for the raping and all that, but then the other concern became what happens to the children who are born out of this situation. There was a huge interest in that in the States. There was a White House blue ribbon panel that came to review the AID program and they got off the plane saying "Where are the infants?" Mother Theresa got interested in it. She set up a place in old town Dacca. We had said that we felt that the kids would be absorbed by the family in spite of that situation. That turned out to be correct. She had facilities. She had $5 million in 1971 money. She never had more than four or five kids in the nursery at any one time.

Q: They got absorbed by the extended family?

SCHWARZWALDER: Yes, right. It was not as though the woman had been raped by a Bengali. It was a different kind of thing. So, that was quite interesting to see how that unfolded.

One interesting issue which was internal to the government and did cause some problems in how they managed was the whole issue about where were you during the revolution? There were a number of the senior administrators, part of the Pakistani administration, who were over in Islamabad during the time of the war. The first Minister of Health was a doctor for the Mukti Bahini. The fighters... So, you had all kinds of people with different backgrounds. Some of them were jailed in Islamabad and some of them weren't. Some of them were viewed as being too collaborative with the Pakistanis. So, that whole side of it was really interesting to see that play out. It took several years for some of those wounds and suspicions to work way out.

On the program side, just the whole concern about broadening human resources and who was there... The Paks were pretty ruthless with people either in the university or business people or whatever. Large numbers of students had been murdered. So, you had a gap there that was pretty deep in a lot of occupational areas. Who had the skills to put the development banks back together or do this or that and deal with the PVOs?

Q: Perhaps you might want to comment about the relationship with the embassy and Bangladesh. You say it started as a consulate, but then became an embassy while you were there. How did you get along?

SCHWARZWALDER: It did eventually become an embassy. That was delayed because the initial nominee to be the first ambassador to Bangladesh was sent in other directions and ultimately became the ambassador to Egypt [Ed: Herman Eilts]. We, AID, had a pretty fair hand because the pace was so fast moving. We were doing lots of activities. There really wasn't anyone except for the political officer who had experience in developing countries. Most of the interest came from the Economic Section, but really didn't have the context in which to really play a role. But having said all of that, they were quite supportive. We developed a mission and worked the kind of hours we did and so forth. We chose very consciously to be very casual in our dress because that is the way Bangladeshis are. When the first ambassador arrived, he felt that as representatives of the U.S., we should be wearing ties and coats. We ultimately suggested that after he had done his initial visits to all the ministers and observed how they dressed, he could make a conclusion about whether we, in fact, needed to dress more formally. I guess he decided we didn't because after that visit, I didn't hear that issue come up anymore, so we continued to dress in khakis and short sleeve shirts and oftentimes even sandals, sometimes more like a Peace Corps office. We felt very strongly that that was much more appropriate for the country. There were very few times that I had any issues with the embassy that were of a major policy or trying to really slow things down, ask questions and clarifications, but we moved along quite well.

Q: You've talked about rehabilitation and reconstruction and pushing the population line, were there any other dimensions of the development strategy that was emerging working on or beginning to think about at that time?

SCHWARZWALDER: Institution building certainly, in the broadest sense, both in the government, in some of the rural development institutions, in the universities because of both people fleeing and not coming back. Some were killed. Generally, there was a big, huge gap there. So, we were trying to do that. We had a fairly substantial …

Q: What institutions are you talking about?

SCHWARZWALDER: Bangladesh University, the Camilla Rural Development, some of the other smaller universities, and the government itself. We had a very substantial training program for short-term training, longer-term training, all of that kind of thing, to build up a stronger capacity for both the public and the non-profit sectors to be able to be more effective.

Q: You had a lot of American technicians to work on these institution building projects?

SCHWARZWALDER: No, not in the sense of having people posted all the time in the institution. I guess the main focal point was really on training, getting people opportunity

to strengthen their own skills.

Q: They came back?

SCHWARZWALDER: Yes. I think at that point the people were highly motivated. It was newly independent. They had gone through a lot. Certainly there were some people that would have like to have gone to the West, but I think there were very strong ties to the country and to the independence and so most of them came back.

Q: Do you recall the scale of the international training program?

SCHWARZWALDER: No. I don't remember the numbers of people. Short-term visits to Thailand and countries in the region that were doing well in agriculture as well as some academics... We sent a couple of people to the Williams School of Economic Development. But most of it was stressing more immediately usable skills and learning from other countries in the region. We sent some people down to Sri Lanka.

Q: You mentioned the Camilla program. How involved was it? It must have been very interesting.

SCHWARZWALDER: Yes, I did. I was out there a number of times. The one man who was very instrumental in all of that was actually caught up in a little bit of that politics about West Pakistan versus East Pakistan. He eventually left and his replacement was not nearly as strong, so there was a period right after that where it seemed to go down partly from the sustenance that they got from West Pakistan. So, there was no real exchange there for a while. So, at that point, it was sort of going down.

I'll tell you two quick stories that capture a lot of that time. I actually was on the last regularly scheduled Pakistan Airlines flight to land in Dacca. Between Karachi and Dacca, my seatmate was a Pakistani from Islamabad who was the head of Esso for West and East Pakistan. He had never been to East Pakistan before. He was the classic Punjabi: 6'2", handlebar mustache, beautiful tailored suit. We were in the air between Karachi and Dacca and he said, "While I was in the airport, I heard a news broadcast that President Yahya Kahn had suspended the legislation and basically abrogated the election results for the whole country in which Sheikh Mujib actually had a majority because of the size of the population in Bangladesh. What do you think is going to happen when we land in Dacca?" I said, "I can tell you all hell is going to break loose." When we landed there, people had gone on kahartal, which was a strike basically. The plane didn't go near the terminal. We got off way off on the tarmac. There were Pakistan army troops there. They put a couple of jeeps around in a semicircle and unloaded the bags at night and said, "Okay, you're on your own." Fortunately, a friend of mine knew I was coming. He was picking me up. This poor guy got his bags, including a beautiful set of golf clubs, and wondered whether we could help him out. This really captures the depth of the lack of any understanding of West Pakistan. So, we waded into this crowd of Bangladeshis, who were very short (5'1", 5'2", whatever), with this guy in tow who was 6'2" and very proud of it. Fortunately, we got him into the car and got him to the Intercontinental, where even

more ironically, his wife was there. She was a political reporter for one of the West Pakistan newspapers and had followed this very closely and was there actually interviewing Mujib. The husband didn't have a clue what was going on. So, that was really quite amazing to see all of that and see it work out.

At the time I went into Bangladesh shortly after independence, there was only one place in the world where you could get a visa to get into Bangladesh and that was in Calcutta. The government was so new that they didn't have a stamp. So, you had to go find this guy way back up in the corner or someplace and he hand wrote the visa. So, I went in and was there for a while. Then I had to go back to West Pakistan. My family was there. I needed to go back and talk to people in the AID mission. I got to Karachi and went through the line. One of the Pakistani guys who worked in the AID office in Karachi was helping me through. I gave my passport, which had this newly minted Bangladeshi visa in the passport. The visa guy was looking at it and looking at it. Then the Pakistani who was escorting me went over and talked to him. They talked very furtively and he said, "Okay, go ahead." When I got out, I asked him, "What did you say?" He said, "I told him that you were an emissary from Sheikh Mujib to come to West Pakistan to negotiate back the union of West and East Pakistan." The guy believed it, so this Bangladeshi let me in. (laughter)

Q: I guess you were popular, in a different context.

SCHWARZWALDER: On the one hand, there was a total lack of appreciation for East Pakistan by the West Pakistanis. On the other one, there was this sort of disbelief on the part of people in West Pakistan that the country had actually broken up. They never really expected it to last very long, which is why that visa guy was happy to let me in to renegotiate.

Q: He didn't believe it had happened.

SCHWARZWALDER: Yes.

Q: Was treatment of West Pakistan, Bangladesh, by the East Pakistanis pretty second rate?

SCHWARZWALDER: Yes, no question about it, especially when the budgets were developed. One of the biggest arguments for independence, especially some of the intellectuals and development experts who were in East Pakistan, were that the primary exporting product there was jute and that was high demand and was actually a very big business, one of the biggest suppliers in the world of jute. Basically, the revenues from that because they were publicly run (One or two were private.) went back to the central government and then were reallocated out. A lot of the argument was that the reallocation didn't represent the contribution that they had made and, of course, the size of the population. East Pakistan had more people than West Pakistan. Besides, the two cultures are enormously different. West Pakistan is wheat eating. East Pakistan is rice eating. East Pakistan is water, water, water, and a beautiful sunset, poets, musicians, and people with

lots of emotion. West Pakistan is much more reserved and so forth. So, there are a lot of differences.

Q: When they were together and you had programs, did this relationship affect the nature of our program, how much we could do in the East?

SCHWARZWALDER: Yes, I think it did. You still basically had to work through the central government. That meant Islamabad. So, the projects in East Pakistan before the cyclone and the independence were fairly limited. They had a proportion that was a lot smaller than that of West Pakistan.

Q: Is there anything else you want to add on that experience? That is quite a story.

SCHWARZWALDER: It was incredibly exhilarating. It was a huge personal challenge for me because I started that job when I was 32 and I had never supervised anybody except a secretary before we started to set up that office. So, personally, it was really a huge growing experience. But beyond that was the lessons that are learned about development and about population pressures and what that does to development and to see really up close extreme poverty. We used to say that if you want to see the future of a lot of other countries, come to Bangladesh and see where things are very, very dire. We did a little calculation. This was when Bangladesh was about 74 million people. It's now something akin to 120. The best guesses were something like 74-75.

Q: And it's about the size of the state of Wisconsin.

SCHWARZWALDER: Yes. At the 74 million level, we just did a straight arrow arithmetic. Forget about mountains and all of that. We calculated that if you wanted to have the population density of Bangladesh at that time, if you wanted to replicate that in the Continental United States, you would have to move into the United States all the people of the world at that time. That got a lot of attention when we sort of spread that around to people to think about it. The density was so high even then.

Q: How did people survive? Of course, many of them don't, but still a lot of them were... How did you understand the culture?

SCHWARZWALDER: Living space and all of that and one's own private area and all that is much more of a western value than it is there. Children are valued highly, especially males, sons, so that you got into that whole question that I was saying before about how many kids do you have to have to ensure that you have a male son who survives you? So, it was pretty incredible. I could never be alone in Bangladesh. I certainly did photography before that, but I got into a darkroom in my house so that I could get away from everything. If you wanted to go out and eat and have a little picnic out in the countryside, you would have 100 people sitting around you within 30 minutes. So, my dark room was the only real solitude that I could find. It was a wonderful growing experience, but much more a learning experience about development. It's really sort of the first major transition from the history of working on infrastructure. We did some of

that in Bangladesh, too, of course, because we had to help put things back together. But it was the first real transition to a program that had people and poverty as central concerns, which wasn't a real focus in Jordan.

Q: You finished up there in what year?

SCHWARZWALDER: 1974. I left Bangladesh in September 1974 and came back to Washington and took an assignment in the AID Bureau for Near East as Director of the Office of Near Eastern /North African Affairs (NE/NENA), which included Morocco, Tunisia, Afghanistan, [Ed: and Cyprus, Portugal, Turkey, Spain, Malta and Yemen.] At the time NE/NENA was then next to Vietnam the largest AID mission in terms of people who were there, and a few other countries. That sounded like a real challenge. Even before I started, Cyprus was added to that because of the Greek invasion and then all the issues around Cyprus. Since I had been around disasters of one sort or another that made sense. I forget whether Yemen was part of the original or whether that was added. Then the one that was really kind of interesting (These were all within several months of taking this job.) was Portugal. Senator Kennedy especially was interested in Portugal because of the population in Boston. I remember getting a call from the Deputy Administrator, Johnny Murphy, saying that "In a day or two Kennedy is going to introduce a bill to establish an aid program in Portugal with heavy emphasis on the Portuguese who are coming out of Mozambique and Angola and coming back to the homeland." So, I ran around and tried to figure out anything. The only person I found who went back to the early Marshall days was Dick Birnbaum. I sat down and talked to him. We talked to a few people. By the end of the day, we had developed the aid program to Portugal. He wanted to take it up to the Hill and not be behind the curve on that. That was fun. I went there. I assessed what they were doing by way of dealing with their returnees. I came back and said, "I don't think we have anything to offer." It was so well organized. This was in 1974 or early 1975. They had social security numbers, zip codes, the checks would go out on time, they would go right to the person, and so forth. So, I basically at that point didn’t see that we could do a lot with the returnees. We developed some other programs. That led into the Luso-American Foundation that handled more the kind of things that were being developed earlier in Latin America. The country was basically a graduate country. So, there was that.

I went to Afghanistan several times. I got stuck down in the Helmand Valley with the Administrator, Parker, and Bob Nooter and other people in a huge rain, which they never have down there. It was quite interesting.

Q: What was your impression of the Helmand Valley project?

SCHWARZWALDER: I was quite impressed. I think in terms of agricultural production-

Q: It was quite controversial.

SCHWARZWALDER: Yes, it was. I know it got into eventually some of the environmental issues as well. At the time, it seemed to be pretty impressive.

Q: What did you think about having a program with Afghanistan? Were the Soviets active there as well?

SCHWARZWALDER: No, this was before the Soviet incursion or before they were real active. So, there was certainly an enormous need for a program there. I remember getting into a heated discussion about the role of women and whether we wanted to add a wing onto the University of Kabul that would be a dormitory for women. Virtually no women at all were going to the university. There were several people in the mission who basically argued that that money should go to family planning or other kinds of things. So, it was quite an interesting issue. In a sense, probably the women that would be going to the university would be more from the well-educated and upper parts of the society. The argument was, well, you need to start some way with women who can take some leadership role. On the other hand, there was an argument about getting basic health services, including family planning, to poor women. So, it was a very heated debate that went back and forth on that.

Q: Of course, the rationale related to the Cold War issue, I suppose.

SCHWARZWALDER: Yes, there was that. But I think the program was pretty solid developmentally. We weren't doing things like budget support to the government to stop the Russians and so forth.

So, that was a very interesting group of countries. Yemen was a fascinating place. When you go to Sana'a, you see women in burqas all the time. You see these houses that are like big fortresses with men with large swords. Centuries without a lot of change. The part that really fascinated me was driving down from Sana'a to the coast, to Hodeida, the port. When you get down out of the hills, actually, there was a very large migration across from East Africa a long time ago, so the people down there look African. The women were wearing flowered dresses and were trading, marketing, and all of that. The contrast within that country (It's like a two hour drive from Sana'a down to the port.) was really, really fascinating.

Morocco at that point was... Al Disdier was the Mission Director there for a while. It highlighted some group from the University of Minnesota that was doing agricultural training, some other infrastructure type activities, and some long-term training. I think Morocco has been the longest uninterrupted aid program in history. It started early after the movement out of Western Europe. It was one of the early recipients and continued on for a long, long, long time.

Q: This whole collection is of pretty important countries as far as U.S. interests are concerned. Did you have a lot of involvement with the State Department about allocation of funds and the levels of assistance?

SCHWARZWALDER: No, I didn't personally. Those levels were then very much set by political imperatives.

Q: This was economic support mostly?

SCHWARZWALDER: No, it was mostly DA (development assistance) funds. At that point, you couldn't have both DA and ESF (economic support funds) in the same country. So, it was mostly development assistance. Yes, certainly, there was a big preoccupation. Afghanistan was certainly... Morocco was always important because of the bases. Tunisia was somewhat less so. Both of those were quite stable in the sense of worrying about internal political problems were not being faced by either of those countries at the time. Cyprus had its own political dynamic. But people higher up the line were dealing more with the actual how the pie got sliced.

Q: Did you yourself have to deal with Congress?

SCHWARZWALDER: Some, with staffers, yes - more with Bangladesh because there was active interest in Bangladesh, and then later on with the Philippines, as opposed to these particular countries, except for Cyprus because the Kennedy staffers were very interested in Cyprus especially. I was out there on a trip once with-

Q: Why was there that interest in Cyprus?

SCHWARZWALDER: The Greek community in Boston. And to some extent Portugal because of the Portuguese. That was pretty straightforward. There really wasn't a huge amount that we could do in AID in Portugal. But the Greek one had some pretty strong political dynamics. Bob Nooter and I were out there once with two Kennedy staffers who were interested in that. We showed them what we were doing, took them around, etc. so that they felt that we were doing a reasonable job.

Q: You don't recall any major issues, crises, or concerns at that time?

SCHWARZWALDER: No, not really. None of the countries really blew up. We didn't have any major disasters. The programs sort of ticked along. With Afghanistan being a very big one, that is where there were large, large numbers of American technical advisors resident there all the time, unlike Morocco and Tunisia, where there were a few, but nothing to begin to compare with Afghanistan.

Q: Let's finish up with your Washington assignment. You were there during the time when the Agency was going through this "New Directions" orientation to development policy and practice. How did you view that and how did it affect the kind of programs you were working on?

SCHWARZWALDER: I viewed the effort as being really sort of the heart and soul of what AID is about, but I remember a couple of computer runs, ranking countries by poverty, with data that came out with some pretty anomalous conclusions. Burma, I believe, was going to be the top recipient of foreign assistance. So, you had to obviously fold in a mix of-

There is always the tradeoff between results versus the poorest of the poor. My heart was definitely on the side of trying to reach the poor and poverty and looking at those as a serious criteria for allocating resources. The countries that I was working with then were Morocco, Tunisia, Yemen, Afghanistan, Portugal, and Cyprus. Several of those had very strong political imperatives, whereas Yemen and Afghanistan were exceedingly poor and some of the efforts were certainly made at trying to reach the poorer people, but certainly the overriding justifications were more political in both of those cases. Morocco and Tunisia were hardly the poorest of the poor, although they were obviously poor people. But it wasn't a major thrust in the countries at that time.

Q: How was it different from what you were doing before? What changed in terms of what AID's strategy was or what it should be focusing on. Before we got the New Directions, how did you see it as being different to the effect of the Agency's programming?

SCHWARZWALDER: I saw it, in a general global sense of aid, as a very important change. As far as the specific countries I was working in, it really didn't effect much change in how we were designing and going about projects.

Q: Why?

SCHWARZWALDER: Because of some of the political and some the circumstances of the countries. Morocco and Tunisia are very different than Yemen and Afghanistan. Portugal and Cyprus were very unique. It was a mix of politics and the uniqueness of the countries. I think that the general prescription was very desirable as a programming objective for AID. But when I was going through and helping develop some of the programs there, it was sort of at the cusp of when the new directions were coming in. So, the initial efforts were focused mainly on Africa and to some of the poorer countries in Asia. This sort of hodgepodge of countries-

Q: New Directions was addressing the poor or the poorest of the poor, some people were saying?

SCHWARZWALDER: No, but to defend them, there was a very, very thorough review, but more in terms of how the project was going to operate. Of course, who were some of the target groups. A number of issues of women's involvement were quite important because many of the poorest countries were Muslim and there were a lot of issues around trying to get women more involved in the development process. Some came from perhaps the middle class or upper middle class, but even that was viewed as a triumph in those years.

Q: Anything else you want to add to that period?

SCHWARZWALDER: No, I don’t think so. That lasted about two years.

Q: So, in 1976, you moved on? Where to?

SCHWARZWALDER: My experience in Bangladesh, where family planning, nutrition, and public health issues were so overwhelming and so critical to the well-being of that country, taught me that nexus was important to society. I, therefore, decided that I wanted to make a shift in my career and actually try to work in nutrition and specifically nutrition planning issues, national planning. So, I was fortunate enough get a year to go to Johns Hopkins and pursued those interests. I also did some rather interesting work on disaster relief issues. Again, coming out of Bangladesh, how you plan and allocate food, how to turn a disaster into at least some advantages. It was also an excellent year. It was virtually entirely on international, as opposed to Woodrow Wilson, which was a mix. When I got ready to return back after that year, I thought I was going to go work in the Nutrition Office.

Q: Was there any particular focus or anything that you were addressing or being taught about nutrition and so on?

SCHWARZWALDER: We studied nutrition and especially the planning side of it, issues that deal with from the family level up to the national planning level. That was a critical part of it. There was a very interesting course that had to deal with traditional healing practices in the conflict between the traditional healing and the more, for lack of a better word, modern Western medicine and the conflicts in cultures and societies. And we looked at epidemiology.

Q: Major shift. My recollection is that nutrition wasn't a major program area, was it, at that time in AID?

SCHWARZWALDER: Population certainly didn't compare to family planning and to general a health, but I was quite intrigued with that notion of nutrition and its role in society.

Q: So, you had that training and what happened?

SCHWARZWALDER: I came back in the summer of 1977 after the academic year expecting to actually work in the Office of Nutrition. When I got back, there was not a position available for reasons we don't have to worry about. It was kind of strange. I ended up working in the front office of the Technical Assistance Bureau. Curt Ferro was the Assistant Administrator. I actually ended up splitting time between the Nutrition Office and then half time up in the front office supervising, amongst others, the Nutrition Office. It was kind of a very unique situation to be in. With Curt and then Sandy Levin came in, one of my accomplishments during that time in the front office was, at that time, the Assistant Administrator had something like 15 different technical offices all reporting directly to him. It seemed to me that the span of control issue was really not very manageable. I developed the idea that clusters within the Technical Assistance Bureau, taking family planning, health, nutrition as one cluster with an intermediate Deputy Assistant Administrator - likewise with the other areas. That over the years has evolved to the concept of centers within the now Global Bureau. It has evolved in a couple of

different ways.

Q: What were the clusters that you laid out?

SCHWARZWALDER: One was health, population, and nutrition. The other was agriculture and rural development. There was something called science and technology, and education. The three of them were broadly clustered. I probably left out an office or two in there. But that was quite interesting. It caused a huge furor amongst the people who were the office directors. They had run their offices quite independently without a lot of reference to programs that were directly complementary to what they were doing. Once that was set in place, Sandy Levin asked that I try to... The other thing that was going on at that time was the review about AID organization headed by Tony Babb and company.

Another thing that was going on during this period was the reorganization study that the Administrator, Gilligan, had asked to take place. One of the recommendations was to take a number of other programs like the Food for Peace, the PVOs, what was then called the Reimbursable Development Program, and the American Schools and Hospitals Abroad and put that into one bureau, taking them out of line positions with the Administrator. I was asked to go over and help with that transition and eventually became the first Deputy Assistant Administrator of that bureau.

Q: What was it called?

SCHWARZWALDER: The Bureau for Private and Development Cooperation (PDC), the first time it was put together that way. [Ed: The State Department Telephone Directory for winter 1978-79 lists the Office of Private and Voluntary Cooperation (PDC/PVC), Office of Food for Peace (PDC/FFP) Office of Labor Affairs (PDC/PLAB), Office of United States Foreign Disaster Assistance (PDC/OFDA), Office of American Schools and Hospitals Abroad (PDC/ASHA) and the Office of Reimbursable Development Programs (PDC/RDP) as parts of PDC. The PDC Assistant Administrator was Calvin Raullerson and Schwarzwalder was Deputy Assistant Administrator.] These four organizations prior to this had all reported directly to the Administrator. Not only had they been moved down in the hierarchy, but they were also asked to give up some of their budget in order to pay for the establishment of the Bureau. So, that didn't exactly go down real well. It was quite an interesting challenge to try to keep that together. The first Assistant Administrator was Hank Wallis. So, we did that for a few years. We had a couple of very interesting interchanges with the Hill, especially with this fellow, Bill Jergen, who was the staff guy for Senator Inouye. The one that was most dramatic was, he was really upset with the Asia Foundation and the fact that at the Asia Foundation, basically the board of directors was all Americans, no Asians, and mostly older men. He was concerned about that and whether the Asia Foundation was in step with the times. So, at one point-

Q: We were supporting the Asia Foundation?

SCHWARZWALDER: Oh, yes, through AID at that time. They had basically a core grant. So, at one time, the fellow who was the head of the Legislative Affairs Office and the guy who ran the PVO part office within our bureau and I had to go up to see Jergen. He put us in one of those big meeting rooms when nobody was there, a big huge, high vaulted room. He said, "You just sit." We sat about half an hour. Then he came in and he read a little poem that said something like "The snow fell softly on the rose petals." He said, "That, gentleman, was paid for by the Asia Foundation" and then walked out of the room. He came back after a while and he said, "I am giving you the last Asia Foundation annual report. I want you to identify the activities in there that could not have possibly been done by any other organization." So, we were on the horns of a serious dilemma. In theory, almost anything can be done by some other organization. If you said that, you would really dump the Asia Foundation and if you try to say that everything that was in there could only be done by the Asia Foundation, obviously, you're caught. He just left again. We had a great fuss about "Let's go through and identify a few things or not." He came in and we said, "Look, we're not doing this exercise. We have to go back and talk to our senior people." It eventually got worked out.

Q: What was his objective?

SCHWARZWALDER: I think it was to leverage some serious change in the Asia Foundation.

Q: He wasn't trying to eliminate it?

SCHWARZWALDER: You can always believe that it was, but I don't think it was that strong. I think he really was trying to really shake up the Asia Foundation. Then it's funding was actually moved over to the State Department. I believe it had been initially funded by the State Department and then it was in AID for a while and then it went back to the State Department. Some kind of equilibrium... Then, of course, it got much better leadership later on.

Q: What were the issues you were dealing with?

SCHWARZWALDER: It was a very interesting time, all the way from, on the one hand, introducing the logical framework as a way of thinking. But in this current position, a lot of issues revolved around contributions by the PVOs, cost sharing. That sort of thing. On one hand the PVOs felt that they wanted to be completely independent of AID, but then they were caught in the history of literally 100% financing of the earlier years. So, that was an issue. It ended up as part of a discussion that resulted in the target of a 25% cost sharing by the PVOs. There were also efforts to bring along a number of the groups that were not the big ones, which were CARE, the CRS, and so forth. So, there were grants given to groups like the Salvation Army and other PVOs, and others, to strengthen their capacity to basically design development-

Q: This assignment was during the time of the development support grant?

SCHWARZWALDER: Yes. It was just around that time. That was a major feature. I guess a little bit later than that was when they had the emphasis on the child survival programs that came in. So, you had the child survival grants. They are still a part of AID's assistance to... It was also a period when a couple of the PVOs were toying with getting involved with Food... A couple of other historic ones... CARE, of course... Catholic Relief Services... Getting involved with food aid. So, that was a big potential jump that actually happened after I left.

Q: What was your view of the capacity of the PVOs to carry out development activities at that time?

SCHWARZWALDER: Fairly high, but definitely lacking in a lot of the discipline, if you will, of designing and sticking with it. You have to be very enamored with the field structure that they have and have the kind of committed people that they had at that time, their ability to move into a country quickly, especially disasters, but also in transition, which I saw in Bangladesh a lot. But the discipline of budgeting and organized planning still was not nearly as strong as it could be. I remember reading one study that took 25 different factors about what might be an issue for the PVOs: planning, implementing, financing, budgeting, oversight, etc. Someone had gone to a bunch of the PVOs and asked them to rank these qualities. The absolute last one for the PVOs was financial planning. Then the same person went to AID and a couple of other major donors and asked them to rank the same qualities. Number one for the donors was financial planning. So, it really showed how there was a lot of the ships that were passing in the night, who was more important and all of that. It was a great time. I really enjoyed working these issues.

Q: Was that a time when they were also lobbying for earmarks in the Congress, for a percentage of funds being-

SCHWARZWALDER: They were, yes. I didn't get involved with that particularly, but that was certainly... And one has to say that AID had then and does today has a pretty small constituency base of people who are willing to go up to the Hill and take on the issues, especially the bread and butter issues of poverty and all of the diseases. PVOs have been there both in strong support of AID and obviously as something that is important to their own interests as well.

Q: I guess one of the complaints at that time, which is probably still true, was the lack of PVO/NGO input in AID policymaking and so on. Was there any effort to try to get them more engaged in having a voice in AID programming?

SCHWARZWALDER: There had been. This is something else that happened when I was there. There had been the Advisory Committee to the Administrator on Development (or some title like that). It was essentially for the PVOs to have that role. It had become quite moribund. Administrator Gilligan basically said "Look, we have to kill it or we have to resuscitate it." The decision was to resuscitate it. So, we in the front office of the PVC

Bureau had that task to not only write up some ground rules about what could be done and how they could influence, but also then to find the people who might be part of the advisory committee and be active participants and stay with it and be representative of the whole community. So, that all happened when I was there, including the inaugural or the re-inaugural meeting to start this all over again. As far as I know, it's still now a very active forum.

Q: This is different from the committee that deals with the registration and certification.

SCHWARZWALDER: Right. This is a policy and operational issue. Within AID, it can run the whole gambit from particular countries to broad-based policies to some of the financial restrictions or AID restrictions that cause them difficulties.

Q: Do you recall what their main push was, what they were mainly interested in?

SCHWARZWALDER: It was more on some of the operational AID legislative requirements or mandated requirements that were slowing things down.

Q: Less on development priorities.

SCHWARZWALDER: Yes. I think they felt "Just loosen up on us and we can do the job a lot better," which is true.

Q: Well, you had some other units within that bureau. What were they?

SCHWARZWALDER: Food for Peace, which was probably the biggest single budget in the Agency, bigger than most bureaus. It was $1.6 billion or so. The people that ran that were very competent. I didn't have to get real involved in that. Kathleen Bitterman and Dan Shaughnessy were people that _____-

Q: Did you get involved in the allocation issues?

SCHWARZWALDER: Yes, some, but at the biggest level, not at the "country X gets this and country Y gets that" level. There was a pretty long tradition about how that played out. I was involved in a couple of those because that issue was such a significant issue in Bangladesh in terms of getting food allocated and delivered at the right time. So, I did spend time looking at those issues and made sure that the processes were fine. But the individual country tradeoffs, I didn't get too involved in that.

Q: Were there some general issues with that? Was Title III imposed at that time?

SCHWARZWALDER: Title III was coming into play. I guess it had been legislated, but people were still grappling around about how to deal with that when I left to go on to another job. So, I think then it was really in the early stages of trying to understand what that meant, how it was different just beyond the generalities. So, no, I didn't have to get into depth on that.

Q: Then there was the American Schools Program?

SCHWARZWALDER: American Schools and Hospitals, which was very interesting. That was a real honey pot for Congressmen. We had to be very careful that the person who ran it at that time was not doing a lot of independent wheeling and dealing up on the Hill. He eventually left and he was replaced by somebody who tried to put much more discipline into review, and analysis of priorities of how different activities would be funded.

Q: I gather AID has an appropriation and Congress added to it?

SCHWARZWALDER: Yes, that's true.

Q: Were there any particular projects or issues that you dealt with on that?

SCHWARZWALDER: There was one school. A number of the schools were in Israel. There was one school that turned out to be really just a letter drop with very few activities going on. We had to step in and close that one down and straighten it out with the particular Congressperson who was sponsoring that. The other one was just trying to keep some lid on the heavy-handed political interest in the activities.

Q: Were you able to fend off proposals from Congress?

SCHWARZWALDER: Yes, one or two, but not a whole lot. At that time, if we worked at that (and I did work at a couple of those), then they would go to the Administrator. So, oftentimes, that would win.

Q: Did you feel that the program in terms of the projects had merit and made a contribution or were they just all sort of political plums?

SCHWARZWALDER: I would say 80% political plums. They certainly trained some people, but if you look at the cost-

Q: The American University in Beirut was one of the bigger ones, wasn't it, at that time?

SCHWARZWALDER: Fair enough. I think they were in an earlier time. They weren't when I was there. AUB, of course, was very solid. Roberts College in Greece was doing good things. But an awful lot of them... Especially if you applied the measure of cost efficiency, it was high priced for the training and a lot of the training was fairly week.

The other one was called the Reimbursable Development Program, which was the forerunner of what is now called the Trade and Development Program. The first director was a political appointee who really didn't know how to function with the general bureaucracy, so part of the issue was riding herd on him and making sure that things that were going to be-

Q: Why did we have this program?

SCHWARZWALDER: It was legislated, as I recall. It was at the time of the beginning emergence, which is in high profile now, of the importance of trade and the effect of trade on the developing countries and the importance from both the U.S. point of view and-

Q: Where was it being applied? Who was reimbursing whom?

SCHWARZWALDER: I can't remember much of the specifics. When I edit this transcript, I am going to have to think harder.

Q: Is there anything else in that position that stands out in your mind, changes you were making or things you were trying to bring about? One was to create the bureau.

SCHWARZWALDER: Yes, bringing the bureau together and trying to make it work as a functioning unit was a pretty big challenged given that history that I mentioned. I was particularly interested in the PVOs. I think setting up the advisory committee again and the role that they played and trying to work through some of the grants and move forward with improving the development assessment, implementation capacity was really something that I was very pleased with.

Then I got really itchy about going overseas again, feeling very strongly that you can only be an armchair developmental list for so many years and you have to get back to the field. I had talked to a number of people about interest in going overseas. Eventually, I ended up going to the Philippines as a Mission Director. The interesting part about that was that Joe Toner was supposed to go there. There was a period just for a year or two where retirement age was cut back to 65 or something. Joe was older than 65, so he was told that they couldn't hire him to go to the Philippines. I was sort of the reserve quarterback and was able to go there. It was interesting because Joe followed me in Bangladesh. So, I was able to go to the Philippines. That was really, really exciting.

Q: What year was that?

SCHWARZWALDER: 1979-1984, four and a half years. It was very exciting.

Q: What was the situation in the Philippines then?

SCHWARZWALDER: The early years of my assignment, 1979, 1980 the Philippines was relatively calm. Marcos was still highly regarded by many people. Some of the concerns about corruption were obviously well known, but the country was moving along well. One of the major legacies of the Marcos regime was the improvement of the infrastructure in the country, which had 7,000 islands, many of which are little dots. Really, the country as a country didn't come together until they had internal air, some highways, good ferries, and all that. A lot of that happened in the early 1970s. Very

strong support in family planning. I think some of the bloom was coming off the rose in how Marcos was regarded, but still, he was a very strong leader. U.S. national interests there were the military bases in Subic (naval) and Clarke (air force). That was so overriding that almost all of the policies took that into account very seriously.

It was an interesting time in a couple of ways in the management thing. One was an awful lot of people had stayed in the mission for six years because it was a very popular place to go. That gave me a chance to basically replace a lot of people. In the first year I was there, I replaced a third of the staff. In the second year, another third. And so forth in the third year. So, by the time I left, basically everybody there on the American side I had hired. We had a really wonderful, wonderful staff. So, there was that side.

On the program side, the really interesting challenge was that there was an implied connection with the bases negotiations that went on in 1979. There was a commitment to allocate ESF money, but also not to drop the DA program. I believe the Philippines were the first country that had both ESF and DA. That was really because some of the Congressmen just didn't want to continue to write a budgetary support check to President Marcos and wanted to see some tangible things. So, we as a mission had to deal with two different kinds of programs with two different rules. The ESF, the Philippine government considered it their money. We wanted to build schools, tertiary roads, and those kinds of activities so that there was something really tangible. That was a pretty tough discussion with them initially. We also wanted to continue the whole development program on a totally different basis of analysis, rules, and how-

Q: What was the scale of the funding?

SCHWARZWALDER: The program then was about $100 billion a year, including some food aid of about $10 million and the other $90-100 million was split with ESF, was about $30-35 million per year. There was also initially a very strong imperative that the ESF money be programmed in the vicinity of the bases rather than countrywide. So, we were doing a lot of schools, roads, tertiary roads, marketplaces, and things of that sort. They were mainly around Clarke and Subic, but not completely. You couldn't really spend that much money effectively...

Q: It wasn't program or balance of payments aid. You didn't have that kind of program.

SCHWARZWALDER: No.

Q: It was all projects.

SCHWARZWALDER: Right. The person that generated that was Senator Inouye, who was concerned about issues of corruption that started to really surface. So, there was a separate unit... When I first got there, there was a really interesting debate within the government as to who was going to lead the ESF (economic support funds) program - a couple of different ministries. I remember going with Ambassador Murphy to see President Marcos and trying to discuss this out. I think I used the word "we" once when I

was presenting to him about the program. He stopped me right away and said, "Wait a minute. That is our money, not your money." It was at that meeting that he let us know that Mrs. Marcos' ministry would be the ministry that would be responsible for the ESF. It had quite a few people, a number of really extremely competent people, very, very talented within ESF.

Q: In the mission or within the government?

SCHWARZWALDER: I'm talking now within the government. We had a number of people who came out of more like the capital development background and who really were the people who were in the mission-

Q: What ministry was Mrs. Marcos-

SCHWARZWALDER: It was called the Ministry of Human Settlements. So, we had a couple of people on our staff and about four or five people at the middle and upper mid-levels who were really apolitical and really wanted to have a good job and do a good job. So, it worked very well, sort of informally between this group and working through and managed to squeeze a lot of the politics out of down at the real practical level of do you build a road here or do the market here?

Q: The implementation was by that ministry as well?

SCHWARZWALDER: Yes. There was a concept that was developed first in the Philippines before I was there of this reimbursable program, FAR (Fixed Amount Reimbursable Program). That required that the government of the Philippines put up all the costs in their budget, negotiate an average unit for a school or a road per kilometer and then, after that was all done, AID would reimburse them after it was done to satisfaction. So, that was applied to the ESF program as well. The government, I must say, never failed at putting up its counterpart money in advance of when it was needed so that the implementation didn't lag at all for lack of pesos (It was all local cost expenses anyway.) in order to get the program going. It did a lot of the physical infrastructure.

Q: Did it work in terms of being sure that you got quality and all that?

SCHWARZWALDER: Yes. First of all, the FAR was introduced about six years before we started with the ESF, so the government was pretty familiar with it. It wasn't a new thing that was imposed on them.

Q: We would inspect and audit the project and then conclude what to pay for?

SCHWARZWALDER: Yes. In fact, at the very end, after the Marcoses left, I believe it was Senator Kennedy who had some people from the GAO look at the financial arrangements for the ESF program. He was sure that there was a lot of corruption. They found none. They said actually that the system that had been designed by the Philippine government should be a standard to be used by other countries in terms of this kind of

accounting and all that. So, I think that went quite well.

I had, as did previous AID directors, many opportunities to spend time with Mrs. Marcos, which was quite interesting.

Q: What was her personality?

SCHWARZWALDER: I feel like most of the stereotypes that come to mind about her were probably pretty accurate, but I do feel that there was more substance there than people gave her credit for. She was deeply interested in the culture of the Philippines, much more interested in rural development type activities than the President, who was interested more in the infrastructure type things. We had quite a few interesting times together. I think I'll leave that at that. I might write up one or two later on.

Q: What were some of the other dimensions of the program? That was not the only program.

SCHWARZWALDER: Actually, it was very interesting. When the new team started coming in, AID/Washington had actually put a hold on the development program that was drafted and said they would suspend additional money to the Philippines pending a new CDSS (country development strategy statement). So, we worked very hard on that. Eventually, it was well received by AID when it was finished. It had a couple of really interesting things about it. One was looking at the issues around deforestation. As you know, in the Philippines, about 77% of the land mass touches on water. There was this phenomena that was really getting very intense about the slash and burn farming up in the hills causing erosion, the topsoil to flow down into the water, which would then limit or even kill the coral reefs, which meant there were fewer fish around, which meant that all the fishing communities had to go farther out to catch fish, and to do that, they had to have often times use gasoline rather than sails because they were going farther, so that added to the cost of the catch. We did some nutrition studies that really traced that very clearly in terms of what it was doing to the nutritional status within the family household. So, that was one whole effort.

Another one was, the Philippines had a lot of time with the national rural electrification [Ed: A 1980 AID evaluation of Philippine rural electrification can be found at http://pdf.usaid.gov/pdf_docs/PNAAH976.pdf.] _____ had done a lot of work there. They were really expanding. I think they were second to the United States at one point in terms of number of participants. So, one of the other ideas to actually get at the slash and burn also was to permit either long-term (nine years) lease or ownership up in the highlands for people who would grow... There was a fast-growing tree that could be harvested within three years and actually had a lot of nitrogen that was also being placed in the soil. You would give people a good sized plot (10 acres or so), which they could harvest in rotation. They cut down the wood and the wood would be taken down and would be used by the rural electrification. They would convert from diesel fuel to dendro-thermal fuel. So, that was another scheme that was conceptually quite strong. It suffered a little bit, frankly to the extent that Mrs. Marcos got involved in it and wanted

to do some other social planning around it, where it was a pretty straightforward operation. We went through a very thorough analysis of each of the areas of the Philippines. There were 12 or 13 regions. We looked at issues of poverty. So, we used that as a way to kind of focus our program.

The other one that was really quite interesting was that, for a long time, the mission had supported a program that built up the capacity at the regional level to do some of the roads and the schools and those kinds of things and to manage development funds. In our plan, we took that from the regional down to the municipalities, which was less developed. At the regional, they were more concerned about having the right kind of equipment and so forth to do the work. Down at the municipalities, especially in the regions that we focused on, the idea was to give them a lot of latitude to design and implement social programs, development programs. So, taking that whole concept that you had to meet a certain number of requirements about who you had on the staff, capacity, and ability, taking that from the regional down to the municipalities and then giving grants. I think that was somewhat of a landmark at the time because it was designed with a lot of evaluation and monitoring. There was a considerable degree of flexibility. We actually had Administrator Peter McPherson approve a 10 year authorization to do that, which was pretty unusual.

Q: This was a form of decentralization?

SCHWARZWALDER: Yes. It was specifically for that project, but then the decentralization was also in place with the design, development, and all that being much more a responsibility of the missions.

Q: What was the scale of the municipality program?

SCHWARZWALDER: Slightly less... Seven or eight million dollars a year for those really small grants. So, with the budget of 10 years-

Q: It was a lot of municipalities.

SCHWARZWALDER: Yes. We also were phasing down a lot of food aid because the country was doing very well. That was a series of discussions. It was never eliminated, but it wasn't really our objective, especially CRS and CARE. We had a lot of discussions with them about phasing down on the PL-480 there. The Philippines was also up at this magic level of per capita that got it into different categories of assistance at that point.

Q: Were we doing anything in agriculture directly?

SCHWARZWALDER: Yes, there was some with agriculture on crop production, on training, and integrating some of those... There were also some experiments that were then replicated on a totally integrated farm where you had a fish pond and you could grow Tilapia and you had chickens and over the top of the pond chicken droppings were the fertilizer. IRRI (International Rice Research Institute) was there. It played a major

role in food production.

Q: What about your favorite areas: population, nutrition, family health, and all that?

SCHWARZWALDER: The family planning and population one was quite interesting. It presented a real challenge because there was a man who was brought back from the World Bank, a senior person there, who was put in charge of the planning commission, which also oversaw the Population Council. He was a member of the Opus Dei rather conservative Catholic group that was very much opposed to family planning. He was also a very adept bureaucrat, so he really went about trying to undermine the family planning program. I had a couple of really challenging meetings with him just one on one. I knew that he was holding up the pay for three or four months of all the family planning workers out in the rural areas and so forth.

I went to see him and I said, "I want to understand what's going on here. I understand the policy of the government is strong support for family planning. I want to know whether what you're doing shows a different approach, a change in policy." He said, "No, not now, but I intend to change all the policies." I said, "Until we hear that the policy is different, we are going to continue to act the way we have in terms of support for the Population Commission and the work in rural areas, etc." One of the outcomes of his point of view was that when the next plan was written by the Planning Commission, of which he was the director, there was no chapter at all to family planning or population, which had been a mainstay of every previous. In fact, in the whole plan, there was only one sentence that dealt with family planning. It mentioned population growth and then it had a footnote that said, "We believe that population growth is a function of" and listed about 20 different things: education, rural development, etc. The last one of those was family planning. There was a Consultative Group meeting in Tokyo that I went to with the Deputy Assistant Administrator for Asia. The donors, World Bank, etc. just went around the table one right after the other criticizing this. He actually was asked to present the part that had to do with the social programs. So, it was just completely around the table, everybody taking great umbrage at this. It wasn't too long after that that he was assigned to another job. I think that the Marcoses were very, very sensitive about how the Philippines looked in international forums.

Q: I assume she was a great supporter of family planning.

SCHWARZWALDER: Yes. They both were. All of the initial commitments were done in the early 1970s when Marcos... Both of them took a big leadership role. So, anyway, he was then assigned to another job.

Q: How did the program work? What kind of a program did you have? What were you doing?

SCHWARZWALDER: It was heavily oriented toward contraceptive supplies and the attendant training that goes with that, making sure that there were adequate pills, condoms, and various other family planning-

Q: Did it tie into the health program or was it an independent operation?

SCHWARZWALDER: Sadly, they were pretty well independent. The Population Commission had a big, huge office with a big, separate bureaucracy. Then there was a very strong guy who was heading the nutrition program. He eventually became mayor of the second largest city in the Philippines, Cebu. He had a very strong nutrition background. You had the three areas. The Ministry of Health was doing its thing. There was not a lot of coordination. As you can imagine, given what I've told you in the past, I worked hard trying to have that happen, but it was... There was also a Ministry of Social Welfare that had crossed over into a lot of those interfaces, but also stayed pretty straight on...

Q: Did we have a health program?

SCHWARZWALDER: We did. Part of it was with malaria.

Q: Primary healthcare?

SCHWARZWALDER: It was definitely primary healthcare. I'm trying to think of the specifics. I'll have to give that some thought.

Q: And then the nutrition program?

SCHWARZWALDER: Nutrition was a big effort. Some of that was very well planned out and was very community based. Some of it again suffered a little bit from Mrs. Marcos' involvement. She would have things like nutrivans that would drive around and give a message and drive off, those kinds of things. But a lot of it because the guy who was heading it was a Ph.D. nutritionist and was strongly interested in some of the community involvement and substituting the use of local vegetables, encouraging the eating of local vegetables, and getting messages down to...

Q: This was a separate administration as well?

SCHWARZWALDER: Yes.

Q: In the field, you had nutrition staff, population staff, and health staff, but they were all doing their own thing.

SCHWARZWALDER: Yes. In the municipality, it was the mayor would try to coordinate all that. During that time, virtually every governor or mayor... I would find that a lot of them weren't greatly interested. I would even say, "Do you have an emergency feeding ward here?" They would say, "Yes." I would say, "I'd like to go see it." Many of the mayors didn't even really know where it was. So, yes, we worked at all three of them. In the mission, people sat side by side. In fact, before I went there, I was told that the three units never talked to each other inside the mission. I sort of made sure

that that happened. It was as integrated as we could get them with programming, but the reality was in the government that they were still pretty separate operations.

Q: Were there any other program initiatives which you were making at that time?

SCHWARZWALDER: I think the ones we've talked about pretty well cover... There was another one that was really, I think, a first also. That was, we set aside $10 million for grants to PVOs and NGOs with a very heavy emphasis on the Philippine NGOs. If any of the U.S. PVOs wanted a grant, they had to have a serious relationship, not a token relationship, with a Philippine NGO. So, I think that went very well. I know that it still continues, unless it stopped in the last year or two. The last time I was in the Philippines-

Q: Was there a strong PVO community there?

SCHWARZWALDER: Excellent PVO community, way ahead of most countries.

Q: Was the government involved in this at all?

SCHWARZWALDER: No, not in the programming, but Well, there was a very interesting.. No, the government wasn't involved in the programming, but there was an organization called the Philippine Business for Social Progress that actually dated to the early to mid-1970s and again was put up by the Marcoses. The idea was that all of at least the larger businesses would contribute one percent of their post-tax revenues to this organization called the Philippine Business for Social Progress, which then would take the money and do two things. They would do training on program design. They got a lot of help from the mission at that point in the whole design, logical framework, and all that. And then they would give grants. So, by the time that I was there, 1979-1980, there had been a six or seven year history of that working, even though eventually the money from the business sector dropped off and they got grants from a couple different foundations and, for a while, AID supported them. But the program standards and all of that were as good as what AID was doing.

Then we had the whole local registration of PVOs. There were 30 or so Philippine PVOs that were registered with the AID mission. So, that was quite groundbreaking.

The other thing I should have said about this 10 year authorization in the municipalities is that there was not a single dollar allocated for U.S. technical assistance. The only TA came from the people in the missions who were helping move it along, but the whole rest of that was totally from inside the country. So, the capacity there was just so dramatically different than anyplace I'd been (Bangladesh, Jordan) for the whole range of things. In fact, going back to this first CDSS that we had to do, we actually asked about 12-15 Filipinos to come over to my house, spend a day. We didn’t pay them anything. The ground rules that they were not representing their organization. Some were from the government, some from PVOs, some were from academia. We asked them to review and critique the draft CDSS. They just said they couldn't imagine that anybody would do that in AID. It was really interesting. There were a lot of extraordinarily talented people who

had had bad experiences in the past and didn't really want to deal with AID who because of that being involved in that, we really were able to tap into the best-

Q: What was the effect of their participation?

SCHWARZWALDER: I made some significant changes because of their suggestions and then they, in turn, were open to help us as consultants and other people that they would tell. So, we really tapped into a resource that hadn't been available. We've talked about the decentralization. One of the most frustrating parts about that to me was that, although you had the capacity to design and all that and even authorize projects in the mission, the money that was called PDS (project development support) was held back in the bureau. Every time we wanted to hire a local consultant for $5,000, you had to go back there. Then there was the game of how much do the Filipinos get? How much does Thailand? How much does Indonesia? There were a number of times when we actually lost really good people because they had other things to do. To me, that was such an anomaly that you had more authority and all that, but you couldn't take these decisions.

Q: Were there any major issues you had to address during that time?

SCHWARZWALDER: The conversion from integrating ESF into a longstanding DA program was very demanding and there were a lot of political issues around that. We ran the entire development program, as we did through the CDSS and the process. Everything I mention was new, basically. The main standards was the support of the family planning program and the increasingly shrinking food aid program. One of the big difficulties that I encountered was the degree to which the U.S. bases so dominated U.S. interests. I mentioned the issue around the man who was undercutting and really ruined the family planning program. I went to the ambassador and said, "This is really serious. We really need your help with the Marcoses to make sure that they know what is going on." This was nine months before the next negotiation of the bases. He didn't want to do anything. He said, "I want no bilateral issues pending when we go in for the bases negotiation." He himself was personally very supportive of family planning. It wasn't because he didn't agree with it. That was pretty difficult.

Q: You said you did go speak to Marcos about that, didn't you?

SCHWARZWALDER: No, the thing I was telling you about Marcos was about who was going to run the ESF program.

Q: That is an example of where the political and security interests override the development interests. What happened to the program? Were there other examples of that?

SCHWARZWALDER: Yes, we were very concerned... This was more in the broader economic... We had a very good economic staff there, a good American and two very good Filipinos. We were quite concerned about some of the arrangements dealing with sugar, timber, and some of the raw materials such as coconuts, as to where that money

was going and how... Not that we were self-appointed investigators of corruption, but we could see, for example, in the coconut industry, there was something called the Coconut Trust Bank. All of these areas were dominated by one or two key people. It was a bank that then was supposed to give back... There was the bank and then there was something called COCOFED (Coconut Federation) into which all of these individual farmers had to contribute money. Then that were supposed to come back into assistance for schooling. Well, the ratio of outflow to inflow was just enormous. It was really hurting the people down at the bottom of the line. This was true with the monopoly on the sugar exporting. We wrote a couple of pieces about that that got some attention, but were really not acted on. It really was not our role to try to be the people to bring that to the attention of senior political leadership, but it was something that we could see very clearly at the time.

Q: Did any of the corruption issues spill over into AID's operations?

SCHWARZWALDER: I honestly don't think so. Where the corruption really comes in is in construction activities, big, huge.. In fact, there was considerable concern about the World Bank activities. The World Bank at that point didn't have even a resident on the ground full time and they were doing large projects. But in the case of AID, the largest single construction project we had was $1.5 million. That was at an agricultural college. We were working with a lot of the regional agricultural colleges, very practical training, including improving their capacity for training and even helping them some with buildings and so forth. So, the largest we had was $1.5 million. You can't steal a lot from $1.5 million and still have something that is there and is presentable. So, I felt really good. On the one hand, the fixed amount of reimbursement schemes, especially in the ESF program... Then in the DA, the desire not to get into anything that was very large... So, we felt like we had that issue pretty...

Q: Did you have any local currency program?

SCHWARZWALDER: Yes, there was. There was some PL-480. The agreement on the operation of the AID mission went back to the 1950s, very early. It required the government of the Philippines to put up local currencies to defer a lot of the costs of operating. It got to the point where the government kept putting up pesos, but some of that got used for some development activities as well within the government as sort of a contribution to offset some of the costs. So, yes, there were the local currencies.

Q: Both in the program you were involved in and in prior years, what was the effect or the impact of what AID was doing in the development business in the Philippines?

SCHWARZWALDER: As far as my tenure, the tenure of the group that was there, I think one of our strongest contributions was to really look seriously at the capacity that was in the Philippines and use it very extensively. I think that was a big change. I think it reflected the reality of the country. The big issues in development of equity... Quite honestly, equity distribution hasn't changed very much at all from the 1970s until today. The Philippines was slow compared to the Asian Tigers and its neighbors to move into the communication, technology age, and to get into putting together computers and

whatever. This was out of our hands, but it was really a puzzle to me. The literacy in the Philippines was something like 97%. Obviously, it was women and men coequally. In fact, I think women had probably higher literacy rates and graduation from college, masters, and PhDs, there were many more women than men. And English capability. This is sort of beyond AID, but I feel like there were so many vested interests related to the natural resources (sugar, coconut, timber) that the government didn't feel the need right away to move into these other areas where they could have had a real comparative advantage, including distance to the West Coast, as well as everything else. That could have had a really salutary effect on some of the distribution issues.

I think that, over time now, the people practicing contraception and the contraceptive prevalence rates either haven't changed all that much. The mission may be reassessing their support and by now may have opted to decrease it a lot because of that.

So, I think that the efforts that had to do with decentralizing down from the regions to the municipalities to introducing ideas that really took a great advantage of the Philippine talent and looked at some really tough issues like that whole environmental issue of the degradation of the fish and so forth...

The advantage that the AID mission has now compared to when I was there is that there are no bases. So, the actual relationship is more on a coequal than it was at the time that I was there.

Q: You always felt every time you had to deal with the government that the base issue was in the back of your mind and you had to be cautious?

SCHWARZWALDER: No, just that I knew that, as far as the concern at the embassy and the line back in Washington was that that was so overriding that the development program was certainly viewed as being worthwhile... There was a long historical record of foreign assistance. But I think that it probably wasn't valued, certainly, in the State Department at the policy level as being something that was an important contribution.

Q: How were your relations with the embassy?

SCHWARZWALDER: Very good. I was part of the five person team that met every day for a while under Ambassador Armacost [Ed: Armacost served from March 1982 to April 1984]. Before that was Ambassador Murphy [Ed: Served from June 1978 to August 1981]. Two really outstanding ambassadors. Ambassador Murphy especially has been assigned to Mauritania and a number of places where the aid program is really important, including reestablishing diplomatic relations with Syria and the aid program was a part of that. So, Ambassador Murphy had a really profound interest in and appreciation for what AID could do and could not do. Ambassador Armacost came in as a White House fellow working with the Secretary of State. He had worked over in Defense and had a different background. So, his appreciation of the AID program... There wasn't as much context for him to do that as there was for Ambassador Murphy. They were both very supportive. They both took many trips to AID projects and knew a lot of the governors and then the

mayors and people who were working on the projects.

Q: How did you find working with the Filipinos?

SCHWARZWALDER: Really outstanding. I've talked about the caliber of talent and all that. The one kind of interesting contrast... They're so easy to talk to and to get to know. They're pretty open and all that. The one interesting contrast for me coming from the two other long-term assignments being in Islamic countries, I always felt like in Bangladesh and in Jordan, there was a lot of bargaining that went on and you had to really drive a hard bargain and be prepared to have that give and take, but then once you had agreed on something, there was a really high level of confidence that it was going to be done. That was the end of the bargaining and "now we're going to do it." The interesting thing in the Philippines is, when I first started going around and visiting the government, NGOs, different parts of the society, they were very adept at presenting issues. Many of them were up to date on the Congress and what was going on. They were doing a year 2000 plan in the early 1980s, etc. We had wonderful discussion with them about "This could happen, etc. After a while, I would come back to the people who were there and say, "Whatever happened to that?" "Well, no, it didn't quite happen." So, the either cultural or political internal never surfaced, but it surfaced when you got down to the real actual implementation. It was really quite different.

Q: Did you have any problem getting things implemented?

SCHWARZWALDER: Some, yes. When you got the right team behind it, it went like ESF (very, very well). But there were some things where it was either regional, cultural, or just personalities that would slow things down. Not unusual. Part of the political process everywhere. It was quite interesting to go from the more conservative societies to the Philippines.

Q: How about your connections with Washington? Were they heavy handed in their oversight?

SCHWARZWALDER: No. In fact, they weren't. Part of that was because we were moving to more decentralization. I think anybody who was around would agree that we probably had the best AID mission in the world. It was because of that ability to hire a lot of people. It was a country that a lot of people were interested in going to. Every job, I was able to have three or four really high caliber people that I could pick from. I was going through this a while ago. I think there were at least 10 people in the mission who went on to be either Mission Directors or take very senior management positions. There were one or two I know who could have done it who opted not to continue up that ladder. I could run those names down and you would be surprised. They were all there at one time. Every time I went back to Washington, everybody would say that. This is not just my boasting about the caliber of the team and how we worked. That helped them feel comfortable about giving us some more latitude.

Q: Is there anything else you want to add on the Philippines at this point? You can add it

later if you like.

SCHWARZWALDER: I could tell you stories for the next five hours, but I think that's good for now.

Q: There wasn't any change in the government during the time you were there, was there?

SCHWARZWALDER: No, I left before Marcos... I could tell you one very poignant story that is related to that. Every year, we would have a retreat with the senior management and I'd have several other staff people kind of as a reward for their year. Oft times, we would have an outsider person even come from Washington. One year, John Ericsson came out and told us all about the New Directions and so forth as well. But the one year-

Q: Did this include the Philippine staff, too?

SCHWARZWALDER: For this one, no. This was really kind of a strategy, thinking... We didn't in that particular one. This year, we went up to Baguio, which is up in the hills out of Manila. We got there Friday night and we were beginning to get organized, have dinner, whatever... The calls came from families in Manila saying that Ninoy Aquino had landed at the airport and was shot [Ed: August 21, 1983]. Al White was the one who was there. Of course, there was a lot of turmoil. Some people say that the army even fostered some of that as a diversion. So, here we were, all day Friday night, all day Saturday, and Sunday morning, trying to think about the next five to 10 years of development assistance in the Philippines when the whole equation had dramatically changed. That was quite a challenge. You could still say, "Well, okay, the basic problems are the same. They're still there," but what the leadership is going to be and what that will do is really significant. It was a very poignant time.

Q: Did that affect the program at all?

SCHWARZWALDER: Eventually, it did, but not on my watch. Things were put in place. I left AID in February 1984 as a result of that lawsuit that was brought by someone in the Foreign Service about the ground rules for entrance into senior management ranks.

Q: Let's talk about that issue.

SCHWARZWALDER: The 1980 legislation that created the Executive Management Corps, said that, if you were already at the comparable levels (FS-1s or FS-2s), while not automatic, but you could be grandfathered in. If you were not grandfathered in, you would be separated after three years. There was a challenge to that interpretation by somebody in the State Department, supported by AFSA (American Foreign Service Association, the career foreign service labor union), as an unfair labor practice. I only vaguely ever heard of it. I wasn't involved in any of this. I was in the Philippines. The suit was upheld in the DC court and the ruling was that anybody who was already at that level

who was not grandfathered in by the end of that period would be eligible to retire or be separated and receive full benefits no matter what age you were. The two best jobs I had were Bangladesh and the Philippines, but certainly the Philippines is as good as it gets and I didn't expect to go back to Washington and get a Deputy AA job or something of similar rank. So, for me, it was a sort of godsend. Essentially, all I had to do was not ask to be grandfathered in. When they asked me, I said, "No." At the end of that time, which was in February (Valentine's Day) 1984, the deadline, I was technically separated and started collecting pension at age 43. There were people who were younger. The youngest guy was 39.

Q: That seems to be sort of absurd to lose people with that talent-

SCHWARZWALDER: As I recall, there were about... You've got your age business, too. I think there were about 25 people in AID who fell into that category, but if you were, for example, 47 and you had three years to wait and you wanted to go overseas again or something like that, then it didn't make any sense. So, the younger you were, the more appealing it was to you. But if you felt like you had some unfinished business with AID, that is a possible next assignment, that would make it more attractive to stay in. I believe there were only about nine or 10 of us who actually left under those ground rules.

Q: You effectively retired in 1984 at the end of your Philippine assignment under this special arrangement. We'll come back to AID after a bit, but let's review your work since then, the jobs you had, the programs you were concerned with. What stands out in your mind as some interesting trends in work in the development business?

SCHWARZWALDER: After retirement I started working with non-profits. I guess it's been 16 years now since I left AID. I've worked with five different organizations. One was Management Sciences for Health. My job there was more what you'd call program development, which was also looking at possible proposals and bids. Developing new business was a part of that. I supervised a couple of activities that were managed in Arlington.

Business development and supervised the project that we had with PVOs, capacity building and nutrition. There was a very large project called PRITECH (Technologies for Primary Health Care Project), which was dealing with diarrheal diseases. That was the other part of the Arlington office. I did some work with them as well. Then I decided to try a hand at broader consulting and joined MSI (Management Systems International). That company does consulting and a lot of more management, as the name implies, as opposed to strictly health work. The most interesting piece of work that I did at MSI was a 10 year retrospective and strategic planning exercise for AID's OFDA (Office of Foreign Disaster Assistance). This was specifically on disaster preparedness, not looking at the immediate responses to a big disaster. That was quite interesting. We visited a lot of sites. I think the recommendations were taken quite seriously by the director then and the people that followed.

Q: Had AID been supporting disaster preparedness before then?

SCHWARZWALDER: They had been, but the OFDA initially was very much oriented towards emergency response activities, rushing to the fire. Even in the time when I was supervising that as part of that amalgamated bureau, the very first inklings or thinking about preparedness issues, we looked at those. We looked at how some of the other international agencies were dealing with disaster preparedness. That is a lot more than just putting tents and filter water in a few places around the world. Even though the work in the Sahel, the energy and trying to predict crops in advance, was all part of a real extensive effort at disaster preparedness, we recommended that these functions be more elevated within the program, given more money. We also recommended that the position, which was at the deputy director level, would be the person who took the lead in organizing, thinking through, and financing consultancies or whatever to develop a stronger preparedness capability. So, that was a lot of-

Q: What were the components of preparedness, what you were proposing? I suppose this was at the country level?

SCHWARZWALDER: There were some general approaches that really cut across. It begins with taking people who were in the disaster relief community and broadening their vision so that you don't have those that are in preparedness and those that are in response. Obviously, it's never going to be perfect, but getting people more attuned to the other aspect was pretty significant. Increasing the stockpiling of the different kinds of equipment and supplies... Construction standards in urban areas... Going through some computer simulations about what would happen if an earthquake of this magnitude hit in Lima, Peru, or something like that, and doing a lot of that kind of gaming and thinking things through. I guess those were some of the main trends.

Q: They provided support to individual countries in developing their own capacities?

SCHWARZWALDER: Yes, they did. That was one of the recommendations that was followed through. Somewhat at the regional levels, especially in Latin America, regional disaster preparedness seminars, training, and support for PAHO (Pan American Health Organization) and some of the other organizations to work on that as well.

Q: Do you think there was much receptivity among the developing countries to...

SCHWARZWALDER: I think there absolutely is. Disasters, unfortunately, are growing. On the one hand, there are the man-made (the wars, the political problems, all that). Then there are the natural disasters. I don't track this, but that's pretty much on an uphill curve every year. It's part of the life of so many people in developing countries. It has to be addressed.

Q: One of my own experiences in the disaster business is the whole business of transport is a major issue and how do you address that in preparedness.

SCHWARZWALDER: The key to preparedness is getting as far out in front of the actual

disaster. If you can start predicting that crops are going to go bad six months ahead of time, if the system works, you've got six months to figure out some of the logistics issues and how to store food and all those issues. Things like earthquakes and floods can be predicted with some sense of certainty. I think the more that you go through some of these gaming exercises and the contingency planning exercises, the better off you are. The history of real disaster relief is really interesting. There are people who have made almost their whole careers out of that who are really excellent at moving in, setting up camps, getting pure water, getting the purification tablets out, getting vaccinations, whatever has to be done. But they really can't move beyond that. So, even to some of these issues about how much food do you bring in and at what time, the issue that we talked about in Bangladesh, possible disturbing the market. Even in the current project that I'm working on, which works on maternal and infant nutrition, there was specifically a lot of emphasis on breast feeding. We have a woman who has worked extensively with CRS (Catholic Relief Services) on issues around disaster response that would highlight that you don't need to send in powdered milk right away. You have a good natural source of milk there. The notion that you can't breast feed if you're malnourished is not correct. With formula, you have all the issues about water purity. So, even the notion of putting up in a tent city an area where women can breast feed, which is a great nutritional intervention... So, there is a whole range of things that can be considered.

Q: How do you approach the question of the movement from disaster response to rehabilitation? There always seems to be a debate as to when and how, when do you start that process, and how you move from one to the other.

SCHWARZWALDER: Hopefully, the first step would be the preparedness one. If it goes right, it would be the preparedness and then the disaster and the response to that and the flow from the immediate disaster (such as the cyclone in Bangladesh) to rehabilitation and development. That should go smoother if you thought through the initial planning.

Q: It's hard to get people in government, particularly in developing countries with limited resources, to devote much time or energy to preparing for something when you don't know what is going to happen or when it's going to happen.

SCHWARZWALDER: Right. But they run the gambit, from regions like the Sahel, where there is some more cooperation between the countries and the region in terms of just food security issues, which are really critical. The main disasters there are the weather, but the weather induced crop failures that cause so much problem. Even getting the various countries to coordinate better or try to share information is a big step forward. It's totally different when you get into the internal wars, rebellions, and all that - the Sudans, the Zaires, etc. That just becomes real disaster relief. Oftentimes, unlike a flood or something, there is a defined area where you know those people are hurt because of the flood or earthquake, in many of these war situations, it's changing and moving, troops are running around in different parts. It's a much more difficult problem to try to manage.

Q: What were some of the other assignments that you took on?

SCHWARZWALDER: After that, I worked with what was then called the Experiment for International Living (now World Learning). EIL has three main divisions. One is the school that is up in Brattleboro, the school for international training. The second is broadly defined, a lot of exchange programs and the kind of exchange trips that were EIL's bread and butter beginning in the 1930s. The third was called Projects in International Development and Training. That is the division that I was running. We looked towards primarily AID, though not exclusively, for funding. EIL had developed a good capacity to work with PVOs and work on institutional strengthening of PVOs under what was called an umbrella grant. Part of that was intensive training and then small grants being given... In the training, covering the whole range of planning and implementation issues and so forth. In the process of that, the mostly local NGOs would develop a funding proposal as part of the training. Then that would get reviewed and then it would get some support funding and program money. So, EIL and World Learning have done that quite successfully in a range of developing countries and also in Russia. That was interesting.

The other sort of managerial task was that unit had been up in Brattleboro, which is the home office. There was a decision made because it was essentially heavily dependent on AID money to move and relocate the office down here. That is when I joined, to get the office set up and running here. I actually hired quite a few people for the Washington office.

After that, I worked with the HIV/AIDS Prevention Program for over six years. That was with a very large AID project called AIDSCAPP (AIDS Control and Prevention Project). I would say that was the most demanding and most exhilarating, the most intensely moving job that I've had, certainly since I left AID. The period began in 1992 and went basically to 1998. It was a time when there was considerably increasing realization about HIV, but still a huge denial, including especially many of the African countries, which were hit. The project was large enough to bring some significant resources to countries, although I think, in retrospect, we probably spread ourselves too thinly. Having done work in about 45 countries of one sort or another, one can argue that it's one of these tough allocative decisions. If one has an aid budget, do you put it in the biggest countries where there are a lot of people (Nigeria, for instance) in Africa or South Africa.

Q: How did you deal with getting over the denial impediment?

SCHWARZWALDER: I think you can't come in and be very confrontational about it. You have to just continue to talk and deal with it as somewhere between disaster relief and development, but just keep pushing the agenda, keep citing the facts, keep comparing with other countries, and keep sharing the newest information about HIV and what was going on and the prevention efforts. I think we'll never know the actual toll of HIV. For example, there still is, but there was even more so at that time, such a heavy stigma about dying from HIV, that a lot of families would go out of their way to have the records report tuberculosis, malaria, or something else. In fact, in a lot of cases, the co-infection between HIV and tuberculosis were very high. So, in fact, the person may really have died of tuberculosis because of the compromised immune system. But it was great to be a

part of that. I think the legacy of that project is that there is an awful lot of capacity now developed in countries around the world in part because of this project-

Q: What did you focus on? What was the money used for?

SCHWARZWALDER: The capacity in part is that people in the countries now know how to design and plan and take into consideration all dimensions of how you organize and implement an HIV/AIDS prevention program, what are the kinds of things you really have to be sensitive to and what you can do, what not to do, etc.

Q: That's coming back to what specific activities you were funding.

SCHWARZWALDER: It was pretty straightforward, but within each country, there would be huge variations in how you did this. The design was very clear. That made it easier. That was that we were promoting condoms, broadly defined behavioral change, which covers the whole range from the individual to the community to policy changes, and we were promoting the rapid diagnosis and treatment of STDs (sexually transmitted diseases). Those were the three big areas. Under that, you had people who worked on policy issues, NGOs, and all kinds of things. For example, the project did not get involved with blood supply or with I.V. drug using. There were areas that were really quite circumspect about what we were doing, what the strengths were, and what we could bring to the table. Eventually we had 14-15 which were priority countries that had substantial resources on the order of $10 million or something of that size. But I make it sound a little easy in terms of the scope. It was very, very complex.

Q: Were you approaching it mainly as a health problem, more multidisciplinary, or mostly institutional?

SCHWARZWALDER: The UN had promoted the idea of in each country having what is called the National AIDS Control Program (NACP) and that it should be multidisciplinary. Probably the best example of that is Uganda, which got on top of this issue very, very early. President Museveni has been very, very aggressive about it and very articulate. Above the NACP, there has been an inter-ministerial working group on HIV. But Uganda and Thailand are probably the best success stories of countries that looked at the problem and were very open about it and took a lot of aggressive actions. You had other countries in Africa for years that opted to do very little - for example, because they were afraid it was going to ruin the tourist industry. So, they really actively suppressed the reality of what was going on. So, the NACP idea that came as part and parcel of the UN interest was also supposed to be an inter-ministerial, interdisciplinary operation.

Q: Any other issues you'd like to cover?

SCHWARZWALDER: I think that one of the issues that came up almost immediately was what we mentioned very briefly. This was in 1992 and this was the biggest grant that AID's ever given for social programs. There was huge pressure to begin to move very,

very quickly. The issue very simply was, are we doing disaster relief here or are we doing long-term development? I think, over those six years, the attitude changed from disaster relief, we've got to get money out there, we've got to move it, and that was also premised on the idea that you focus on the main transmitter groups and you try to stop the spread of HIV. That was the hope in early planning expectations. That meant basically working with prostitutes, gay men, the classic high risk groups. And to focus a lot of attention on those groups and get as much resources as you could into the NGOs, the government programs, and all of that that were eventually starting to promote condom only brothels and all kinds of training for prostitutes and so forth. But by 1994 or so, we were already beginning to see major breakout, especially with women who were not involved in commercial sex at all. That has unfortunately progressed very strongly, especially in Africa, where... I'm a little outdated, but I remember when I was leaving that 60% of all the new AIDS cases in the world were people between the ages of 16 and 22 years old. Of those new cases, 75% were adolescent girls or young women. That really turned the basic planning on its end, where you focus on the high transmitter groups and so forth. It's still a reality that you've got to do that, too, but it's much more difficult to try to deal with the spread of women outside of an organized arrangement, which happens to be commercial sex, than it is dealing with that organization or the group. So, even in those six years, the whole paradigm changed, how to best deal with it. Unfortunately, all those rates seem to continue. In the current project that I'm on here in AAD, a lot of the focal point is on breast feeding. Breast feeding and transmission of HIV is a very, very hot and very difficult issue in Africa.

Q: Is it transmitted through breast feeding?

SCHWARZWALDER: It can be, yes. The whole birthing and feeding process are very, very complex. The other side of that issue is, if you don't breast feed, then what do you do? Well, if you use formula and if the mother is poor and the water is impure and so forth or they're poor and they dilute the formula by half to make it last longer. If you took HIV out of the picture, the relative risk of infant mortality based on bottle feeding versus breast feeding is something like 14 times greater with bottle feeding. So, while there are risks with breast feeding, there is no doubt about that, also recent studies show that there are some other benefits. All the benefits of breast milk may also protect some children from HIV transmission. We don't know quite what that tradeoff is. But it's a very difficult... All of this is predicated on a person, either male or female, knowing their status. Not more than five or 10 percent of the people in most African countries really know what their infection status is. If you’re a woman, you come in, and you're in an area where there is a high incidence of HIV and you're concerned, the advice you'd get would be different if you knew the woman was HIV positive than if you know that she weren't.

Q: Your present work now is on the breast feeding program?

SCHWARZWALDER: Yes. It is called the Linkages Project.

Q: What is its objective?

SCHWARZWALDER: The centerpiece is breast feeding, but it has maternal and infant nutrition (mainly breast feeding, complementary feeding, which is talking about the way to start providing food other than breast milk for a child). The last is called LAM (Lactational Amenorrhea Method), which is essentially exclusive breast feeding for up to six months because of the contraceptive advantages of that.

Q: But is breast feeding not a common practice?

SCHWARZWALDER: What we find is that it's a very difficult set of discussions to have because most everyplace you go, people will say "Ours is a breast feeding culture" and "Every mother breast feeds." First, that doesn't happen in many places. Second, while the mother is breast feeding, oftentimes, they're introducing teas and other alternative feeding as well that itself can be very dangerous to the child's life. So, there are a lot of health issues. Having the discipline and the equipment to breast feed exclusively for six months can be very demanding, especially if a woman is working, even in the fields, for example. And the culture where it turns out that the main person is the mother-in-law who will tell the mother that "This is the way we've done it for decades or centuries and this is the way it should be done. You give them this, you give them that, or you don't do this or that." So, then the benefits of breast feeding decline.

Q: Do you attempt to deal more comprehensively with the childhood diseases like the diarrheal problems and all that kind of thing or not?

SCHWARZWALDER: Again, the project has this particular objective. That is one of the challenges of a lot of the funding that one gets from AID or from other donors (It's certainly not just an AID problem.) of how far can you range from what you're doing, especially when you're going to be measured on results and the results are related to those particular things I mentioned? Yes, we do. We certainly work within the broad MCA (maternal-child health) network and try to work in a complementary way, not to work separate and apart from, but make breast feeding integral. You'll find most every country will have some policies or standards that are intended to promote breast feeding, but it's in the actual doing and the support system that can be difficult.

Q: And the money was spent specifically on education programs?

SCHWARZWALDER: We have a range of things. The AID missions play a part in this with providing field support, so while we have these four main areas that are desirable to have all of them, we have some countries (Jordan is a good example.) where they are only interested in the LAM and what they want to do is incorporate that into their national family planning program. So, there is a lot of training of the healthcare providers on how to offer and how to counsel, how to discuss the tradeoffs between that and other methods of contraception and so forth. That is a very big program. That is going to train essentially all of the healthcare providers in all of the MCH centers in the country. This is being reinforced with television, posters, radio, all of those reinforcements. It can be very attractive. It's totally consistent with Islam. It's consistent with the Koran itself. So, that is one end of the spectrum. It's a single activity. That is all the mission is interested in. In a

country, Bolivia, for example, we're working with the very large umbrella organization for NGOs called PROCOSI. It just celebrated recently its 10th anniversary. It has in its membership many Bolivian NGOs and some of the international NGOs. It's a very extensive network. The first thing we did was provide a person there to work with them inside the organization on nutrition and breast feeding, a skill that they didn't have resident. She actually both represents us and works there. There we are going through considerable training, retraining, introducing to 17 different NGOs that have coverage in the different parts of Bolivia how you offer breast feeding, how you support it, and how you record it to capture the rates. In fact, Bolivia is a country where the average on exclusive breast feeding is something like 45%, so that is very high compared to a lot of other countries. So, we expect to see some very nice results there.

Q: Anything more about these post-AID activities that you want to add?

SCHWARZWALDER: When I was in AID, working on the inside as it were, I never appreciated the appearance of arbitrariness relating to the award bid process, I never appreciated that an organization can spend a considerable amount of its own resources to be able to compete. I've had over the years a couple of incidents that were just... I couldn't understand why bids went the way they did. Probably the funniest one was, with MSI, we were bidding on some of the IQCs (indefinite quantity contracts). They were to award two. They called up and said, "There is one that is the clear winner. You guys and another organization are tied." Instead of saying "Give us another best in final," they said, "Come to our office at a certain time and we will flip a coin." My group lost. I had one that was absolute lead pipe cinched. It was in Bangladesh. Needless to say, with my background in country I had one-upmanship on a lot of people in Bangladesh. The bid was through the mission. We put it in DHL. They said they needed five days. We finished it and had it there within eight days and it was lost by DHL. We sent cables. This was even before e-mail was that commonly used. We said, "This is when it left, etc." That got there on a Friday, which was not a workday. Saturday was some kind of a holiday. It was Sunday before they even got the notice that said that we may be delayed and asked for an extension because of this. They awarded it to a group that eventually turned around and... didn't even have a chief of party and had to hire somebody in our organization to go be it. So, it's kind of crazy, that side of the whole business.

Q: How were you balancing this? How you do come out on which side is... What the process was required by AID?

SCHWARZWALDER: I think that AID process has to be more understanding of what they are requiring. You do see a wide range of the RFPs (request for proposal), how they are written and how clear they are (or in many cases how foggy they are) about what's expected. That is one.

The other is that the move toward large projects... AIDSCAPP being an example and several awards that are out pending now that are in the health fields that are $90+ million apiece. What that does often is, it was in health, it really limits the possibility of organizations to bid. It's sort of self-reinforcing. If you haven't managed a big project,

you can't establish that you can do it, and if you can't, you can't bid.

It's closed out a lot of organizations. In the health field, there are maybe six organizations that bid. Oftentimes, it's just a matter of who partners with whom. I think sometimes the procurement aspects drive a lot of the decisions more than they should compared to the real program needs. Even five year awards, as we know, are difficult to manage. That is not a long time in a development process, especially if you're either the first to be working in a particular area or to be doing it the first time in a different way. For instance, the project I'm on, the predecessor grants were more research oriented. They didn't have people in the field. They weren't taking things down to the community level. While this is not the first one to work on the set of technical areas, we're doing it in a much, much different way. That takes a long time for startup, hiring people, and getting people started, working with the missions, getting the field support, and so forth. I think that is driven more by the procurement office than by program.

Q: Let's back off a bit and talk in more general terms. Over your interesting career, how do you view AID as a development organization? Can it compare with the programs of other donor countries, development institutions, and so on?

SCHWARZWALDER: In making that comparison, I think we have to be fair to AID and say that there is no other donor organization, bilateral or multilateral, that has the level of scrutiny that AID has and that labors with a pretty small constituency base. Every public opinion poll that I've seen puts disaster response at the top as the humanitarian relief type thing and everything else, including long-term development, as way down. I think that is not true in some of the European countries. There is a strong understand and political commitment to development. It derives partly because many of those countries, especially the Scandinavian countries, don't have the political agenda that we do as a superpower. Those are not at all insignificant considerations when you compare them with other donors. Having said that, I think that AID has a couple of serious challenges and needs improving.

One is the slowness of all the procurement, procedural, contracting, that whole range of things. Second is the degree to which the oversight in the auditing and IG (Inspector General) corps (and I would never argue that you shouldn't have that). It seems to me that in the last decade or so that that concern has been elevated to a point where individuals are not willing to be the risk takers that they used to be - we in AID in earlier generations.

I think that, again, the area of evaluation is obviously very critical. It is very critical to be able to learn what lessons you can, but the other part of that is, it's equally important to be aware of unanticipated results. I think, when you get too far into a fairly inflexible structure for design and planning, there is somewhat of a fallacy in there that you can really write a document that is going to predict what the next five years are going to be like and be held accountable for exactly what was defined. That's why I felt that 10 year authorization in the Philippines with sort of a rolling evaluation and all of that was really a major breakthrough. I would like to see more of that.

Q: What about some of the substantive aspects you were talking about, process and method? What about the substantive role of AID over the years as a development institution?

SCHWARZWALDER: Especially if you go back over the years, like in the 1960s, 1970s, and on up, AID without a doubt had a significant leadership role in the development community worldwide in approaching issues of a whole range of things such as non-formal education, some of the public health, agriculture, in all those areas and in trying to especially move down to the community and the village and the lower levels. Thinking through that, the whole poorest of the poor, the concerns about integrating women better, the gender issues. I remember in the 1970s and 1980s talking to friends who went over to the World Bank. They would tell me they were sitting in meetings on issues that had been addressed by AID five to seven years earlier. So, I think that AID really had a tremendous influence in development thinking.

Q: Sort of a pioneer.

SCHWARZWALDER: Yes, absolutely, in the 1960s, 1970s, and 1980s. I don't really know the projects in the Soviet Union and Eastern Europe and some of those. I think even AID's activity was a real pioneer in terms being not just prescriptive about what you should do, but actually doing it down at the village and community levels. So, I think there are still a lot of good examples, but I feel that AID is more into a straightjacket than it used to be in terms of its planning and thinking. I regret that, especially since so much of this development process is human beings at all levels from the culture-bound woman who can't be convinced to change to the politician who has his or her own agenda to planners and so forth. That is all part of the whole mosaic of development.

Q: Given your experience, particularly you work in developing countries, what stands out as some of the lessons? If you were teaching a course or advising people going into the business, what are the things you've learned about the development process and how to go about helping it?

SCHWARZWALDER: Really reflecting on the incredible changes that have happened in a few decades, communication being one, where just the ability to plug into information that in the past was just not available to people in developing countries, and how that facilitates south-south arrangements of sharing of experiences and taking advantage of that whole aspect of information and knowledge and sharing. The huge increase in the number of people in almost every country that now studied or practiced development in one way or another who are much more capable now than even 20 years ago. Capacity for designing, monitoring, and doing development thinking has just markedly increased. I think there is generally a move towards more multidisciplinary efforts. That is held hostage a lot of times by politics or just organizational inertia, but I think there is a much greater appreciation for the complexity of development and the interrelationships between what you're doing in agriculture and how that might affect everything from the obvious ones like nutrition to employment to all kinds of things. I don't think there is any one panacea. I can't say, "Do private sector or do this or that." It's so country, culture

specific that it's important. It's so much better than when there were these huge missions with lots and lots of technical advisors and if somebody there was an expert in chicken farming, you would be sure there would be a chicken farming project in that country no matter whether it made any sense or not or whether anybody was behind the idea. Certainly the issues of political sustainability are very important, financial and political sustainability. Hopefully, a lot of designs take that into concern, which is actually another dilemma, where an organization is contracted by AID or whoever to deliver certain results at a certain time in a certain quantifiable way. Certainly the imperative then becomes, above all, make sure you do that. Since most of those results are built to measure things like organizational change, process, or whatever, as part of that, the results are measured in actual outcomes in health or whatever. It really precludes thinking in longer term than five years or whatever. I think the period of full-time technical advisors living in a country for four years or whatever is really waning. It's both because it's very expensive. AID spends $250-300,000 a year to put somebody in the field with an average of a kid or two and all of that. In many countries, you have local resources. Even the countries that are not that strong can get so much more in interactive involvement with people in the Internet and getting text to review and all that. Certainly some intermittent TDYs of people who can come in in specific times and really move things along or deliver some serious insights... When I was still in AID, and certainly up until the time of the Philippines, it was very clear to me that we felt that having that presence in the country was a great advantage. It set AID apart from just about any other donor. I guess my feeling about that really started to gel with these project designs in the Philippines, where we said, "We can do them there." Since that was more than 15 years ago, I know that that's true in a lot of other countries with the passage of time.

Q: How do you view the question of technology transfer, if that's what the technicians feel we are doing?

SCHWARZWALDER: A lot of that can be transferred in ways that it couldn’t have been transferred even five years ago, the whole communications thing. Is that exactly the substitute for having somebody sit next to you? No, it isn't. It isn't as completely satisfying, but you can do a lot with that $300,000 that would have put that person side by side with somebody all the time, even if you spend $50,000 of it for people to come out from time to time and work the way that traditional technical people did.

I was reflecting about two weeks ago because I saw an article. I think the numbers went like this: In the mid to late 1980s, the income gap between an amalgam of some of the poorest countries in the world and the developing countries, the income differential was in the order of 85 times greater in the developing countries. That was in the mid- to late-1980s. This article was then reporting on that same calculation in 1997 or 1998, about 10 years later. The ratio was 240 times greater.

Q: This is the ratio of the developed countries versus the poor countries?

SCHWARZWALDER: The income ratio. The average person in a developing country is now earning 240 times that of the developing country person. That inequality has almost

tripled in a decade.

Q: What does that mean to you?

SCHWARZWALDER: I was thinking, "I've been in this business for all these years and I haven't saved the world. Look what's happened. It's gotten worse." If you look at the next couple of decades, I hope that changes, but so much of really wealth or knowledge, which translates to wealth, is due to the communication technology explosion. Hopefully, over the next decade, a lot of the developing countries can take more advantage of that, just simply knowledge. But the rate of change is so astronomically fast in this whole area that it's hard to think of anybody other than the elite keeping up with that in terms of the computer capabilities and so forth.

Q: Given your perspective and your comment about the gaps in development aid, did you find the assistance program made any difference? Given the development programs, approving them, carrying them out, collecting. Do you think foreign assistance has made a difference? How would you characterize it?

SCHWARZWALDER: I'm not a student of a lot of the macro issues, but I can talk about the three countries that I know best in terms of being assigned there. Without taking any personal credit for any of that, Jordan being the first, the record on things like girls education is extraordinary in Jordan. We have as our local representative a woman who is an MD who is about 32 years old, smart as anything, very capable. I never saw one woman that would meet that profile when I was living there in the 1960s. They probably existed somewhere, but you certainly didn't see them and now it's quite common. I was talking to her about it and she said, "That's fairly commonplace now." So, in Jordan, there was a decision quite a while ago to really focus on women's education and there was a great success story in spite of Jordan's the loss of the West Bank and all of these political trauma, PLA, PLO, etc. One could have easily seen that slide back into a more traditional society, but I think that momentum is definitely holding. It's irreversible.

I won't talk about Pakistan because I really ultimately didn't spend much time there, but in Bangladesh there are two really great success stories. In none of these can you say that foreign aid can take 100% credit, but they really played a very unique role. One was the contraceptive prevalence rate in East Pakistan just before independence was something like three percent. Somewhere along the line, about the late 1970s, the government said, "We cannot provide family planning services to the whole country, so we will focus on the urban areas, which make up maybe five percent of the population, and we want to help support the creation of local NGOs." That was a joint AID and Government of Bangladesh project in the late 1970s/early 1980s. What happened was that these were broader based. A lot of them involved even illiterate women in broader based activities. A lot of the demand for increased family planning services came from these women who weren't all that educated, but they knew they didn't need to have any more children. I think there has been one contraceptive prevalence study since the one that I'm familiar with. The one I'm most familiar with is at least several years old now. The current study suggested a contraceptive prevalence rate of 43% from three percent.

The first year after the war, the independence, we brought in 1.2 million tons of food aid. Two stories about that. One is that it was wheat. Over time, people started eating wheat. So, there was actually crop diversification really driven by the PL 480 where people up in the north of Bangladesh especially could irrigate and grow wheat. So, that was one.

The second one was that when I was back in 1986, I was looking up some of my good friends. Even by 1986, they were saying, "We're essentially self-sufficient in basic food, rice, and then with the wheat augmenting that." That is a huge success story. The downside was that the object of bring in PL 480 wheat was to generate the local currency, not diversify the food. Obviously, people can always eat more, but in terms of meeting the basic food needs of the country, by then they had done that. That is extraordinary.

In the Philippines, I guess some of the more recent developments in the time since I was there, I think, are particularly noteworthy. The government did get more into diversifying the industrial base with computers, light manufacturing, and so forth. Quite impressive. There were major steps on getting rid of parastatals in public owned industries and especially things like the telephone company and moving into privatization. That wasn't when I was there, but that whole step. The previous President, Ramos, put the economy in a much sounder footing. It's quite interesting that there was a huge, almost scary, capital flight into the Philippines at the time when Hong Kong was changing over. The Chinese were doing some more maneuvers off of Taiwan. Indonesia was starting to come unraveled. To think of the Philippines as kind of a haven, a solid place for investors to put their money, was quite a change from some of the previous years.

Q: Some of the programs like the Rural Electrification Program and your Municipal Program make a difference?

SCHWARZWALDER: I hope so. I haven't seen any good assessment of that. I think the Municipal Program, as often happens when there is a changing of the guard at the Director's level, the successors have different agendas. So, I don't know the answer to that.

Q: Any other examples of the effectiveness of foreign assistance?

SCHWARZWALDER: If you go back far enough, you find all kinds of success stories in the Koreas, the Brazils, the Colombias, the Taiwans, and so forth. But those now are sort of so far into history that it's hard to use them as examples. Those are the ones I can talk about.

Q: Let's come to an end then and wrap it up. Maybe you would like to make some concluding remark about how you think about your AID career. What is your impression now about the time you spent?

SCHWARZWALDER: I wouldn’t change any of it. I had a great time. I had great challenges. I made lots of good friends. I felt like especially most of those years were

years where there was a lot of passion still left in the calling of working on economic development. It was a great, great time. I wouldn't change it at all. I am concerned that a lot of what I experienced in AID is not there anymore or is being diminished. That is too bad. I feel like the people who are laboring under a lot of the constraints of AID in order to make things work just aren't having the same kind of fun, challenges, and, in fact, independence of operation that so many of us enjoyed in that period in the 1960s-1980s. I hope that somehow that vigor can be restored to this very important undertaking. Regrettably, I can't figure out how that would happen right now.

Q: Let's conclude it here. Thank you for your time and observations.

End of interview