The Association for Diplomatic Studies and Training
Foreign Affairs Oral History Project
Foreign Assistance Series

MELBOURNE L. SPECTOR

Interviewed by: W. Haven North
Initial interview date: September 12, 1996

The oral history program was made possible through support provided by the Center for Development Information and Evaluation, U.S. Agency for International Development, under terms of Cooperative Agreement No. AEP-0085-A-00-5026-00. The opinions expressed herein are those of the interviewee and do not necessarily reflect the views of the U.S. Agency for International Development or the Association for Diplomatic Studies and Training.

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Alliance for Progress
American Productivity Council
Assistant Administrator of AID for Administration
Averell Harriman
Central America and Caribbean Affairs
Central American Bank for Economic Integration
Civil Service
Communists
Controller
Coordinator for Mutual Security
Cuba
Cultural anthropologist
Dave Bell
Development Loan Fund
Douglas Dillon
Duvalier
Economic Cooperation Administration (ECA)
Eisenhower administration
Eleanor Roosevelt
Foreign Service
Foreign Operations Administration
Foreign Service Act of 1980
Formosa
Greece
Grenada
Haiti

Harold Stassen
House Foreign Relations Committee
immigration
India
Indochina
Institute of Inter American Affairs
Israel
Jamaica
James Riddleberger
Jordan
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local currency
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Marshall Plan
Marshall Plan in Europe
Mexico
Mike Mansfield
mineral resources
National Institute of Public Affairs
Nixon
Operation Tycoon
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servicios
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Technical Cooperation Administration (TCA)
Trinidad
United Pueblos Agency
United States Geological Survey
United Nations Relief and Rehabilitation Administration (UNRRA)
university contracts
Vocational Rehabilitation
War Relocation Authority
Wristonization

INTERVIEW

Q: This is September 12, 1996. The interview with Melbourne L. Spector, who has been associated with foreign assistance since 1945.

SPECTOR: Forty-five.

Early years and education

Q: But before we go into that, Mel, let's hear a little bit about where you were born, where you grew up, your education and so on, with an accent on those things that might indicate how you got involved in aspects of international development and foreign assistance.

SPECTOR: Well, I was born in Pueblo, Colorado, May 7, 1918 - quite a few years ago. My parents were of Russian-Jewish decent. They were small shopkeepers. My mother was born in Russia, but came over here when she was about five years old. My father was born in Philadelphia. When I was about five years old, we moved to a small town called Walsenburg, Colorado. The reason I'm bringing this up is that it was a great mixture of people. It was a coal mining town, so you had a very heavy Hispanic population, Slav, Italian, so I was very attuned to different cultures when I was quite young. At the ago of fifteen, we moved to Albuquerque, New Mexico. This was the depths of the Depression. My parents really were pretty destitute, but we opened up a small shop in Albuquerque.

Living in New Mexico was an eye opener to me because there you had three different cultures. You had the Hispanic - very heavy - I think, to this day, they still publish all legislation in Spanish and English in New Mexico. You had the Indian, or the Native American, and you had what we called the "Anglo," which was all the rest. So, again, you had three cultures, which was very good for someone who eventually ended up in technical assistance work. I did well in high school.

I went on to the University - one of the reasons we moved to New Mexico was that my parents wanted me to go to the University. It was easy and inexpensive to go to college in the town where you lived and had the state university. I went to the University and decided to get into medicine. I had read Arrowsmith by Sinclair Lewis and Microbe Hunters by Paul DeKruif and was going to be a doctor.

But, living in Albuquerque - Albuquerque was a regional center for the government. You had the Forestry Service there, the Soil Conservation Service and other federal agencies. I came to know the fathers of the girls that I went with, who were big men in the government and I thought, "God, this is something I'd like to do." So, even though I was going to become a doctor, I decided I wanted to go into the public health service because then you could combine government and public health and do all those good things. But about the third year in pre-med, and I was doing very well - pre-med was easy - At the same time that I was going to school, I got a job as a lab swipe. That's about the lowest

category you can be, working in a laboratory of the U.S. Public Health Service, which was for the Indian Service. It was located at the Indian tuberculosis sanitarium. During the summers, I worked on the Navajo reservation, again as a lab swipe, which is the lowest thing.

Q: What does a lab swipe do?

SPECTOR: A lab swipe cleans out the lab. He or she washes everything up, prepares solutions for the laboratory people to use. For just a moment, I want to say that I had the dirtiest job that anyone's ever had. The laboratory was concerned with doing research on dysentery. What this meant was that the public health doctors would go to the Indian pueblos and gather feces in little bottles. Then they'd bring it back to the lab and the technicians would take the feces out and spread it on the Petrie dish and grow the cultures. When these bottles piled up, it was my job to clean those bottles. I want to tell you, that was the dirtiest job anyone's ever had! So I worked on the Indian reservation for two years, just during the summers. I saw babies come in, dead babies, that were dead of syphilis.

So the problem came to me to mean not so much medicine, but the social controls. I became convinced that the future lie in the social sciences, not in the physical sciences. Also, I didn't see myself - this was 1938 and '39 - having enough money to go to medical school. And in those days you couldn't go to medical school on the government or get loans. I decided I really wanted to go into government and I changed my major to government. So, I didn't graduate in 1939 as I should have. I graduated in 1940. In all this period, I'd gotten to know a wonderful, wonderful woman named Dr. Estelle Ford Warner. She was the head of all the public health for the entire Southwest region. Not just the United Pueblos Agency, where I worked later, or the Navajo and all that, but the whole area. I told her that I'd decided to not continue medicine, but government. When I graduated from college, I got a fellowship there to return for a year to work on my masters and be a graduate fellow. You know, you work on Saturdays, you take the professor's classes on Saturdays and give quizzes or just have good bull sessions, which I enjoyed. That's one way I got to know my wife better. She was one of my students, she was in one of those classes.

Working in the United Pueblos Agency - 1941

Q: You were teaching?

SPECTOR: Yes, well, a teaching fellow. Doctor Warner called me one day and said there was an opening in the United Pueblos Agency for an intern in government. This was a part of the National Institute of Public Affairs, which still goes on now. This was the field program, the Southwest Field Training program. We got paid the magnificent sum of $60 an month, but people could live on it out there. You had room and board for $40 a month. But I didn't need that - I was living at home. The opening in the United Pueblos Agency was in personnel, so I got into personnel. This was technical assistance because you were

working with the Indians. I became very much aware of the problem. So I was teaching and doing this, which meant that I never finished my masters.

Q: What was this program trying to do for the Indians?

SPECTOR: The entire program, the United Pueblos Agency, was over all of the united pueblos up and down the Rio Grande River. Everything that an Indian agency does - which to this day we're not quite sure we've done the right thing by the way, which is a problem of technical assistance or development. The National Institute of Public Affairs was an intern program that existed here in Washington, mainly. People in those days would go in and work for the government for free, merely for the chance to work in the government. They got paid nothing. Some of the names of people who did this is Harlan Cleveland, John Macy, and other people who went on to very top jobs. But out in Albuquerque, we got paid $60 a month. Here, they got nothing. But here, they were allowed to eat at Brookings Institution!

So, that summer - this is 1941 now - the federal government decided to try to bring in junior interns. They gave a nationwide exam for junior management assistants or something. I forget the title. I was one of forty some that made the top grades in the western part of the United States. We were hired by the Agency there. So I really began my government service in June of 1941, as an intern, now being paid. That's where I really got my first introduction to technical assistance, because we had lectures. One of the lecturers was a man who was from the Yale Forestry School. He came to be one of the great counselors to the entire Indian Service. He impressed us greatly to emulate the work of the Franciscan Fathers.

Q: Do you remember his name?

SPECTOR: No, I wish I did. I tried to look it up before this interview. Wonderful man. We went into detail the way the Franciscan Fathers did. We were supposed to learn the language of the Indians; learned their ways; lived with them; worked with them, rather than try to just impose onto them their own language and their own ways of doing things. It's I think the most fundamental lesson I ever learned. So, I think this was a basis for my interest in technical assistance. But the war was coming on. This was 1941. Something came across my desk that there was an opening in Washington in position classification, which I had done a little bit of.

Q: But your work was mainly in Personnel?

SPECTOR: It was still in Personnel. I became the Assistant Personnel officer of the Agency. It was a pretty large agency, second largest Indian agency. The largest Indian agency, I guess to this day, is still the Navajo. The second largest is still the United Pueblos Agency.

Q: And the kind of programs were across the board?

SPECTOR: Across the board. Everything: agriculture, education, housing, everything you can think of.

Q: Health?

SPECTOR: Oh, health was very, very big. But my job was, of course, personnel, handling the people that did all this work. Just an interesting side note: the head of the United Pueblos Agency was a woman again. So, I came into the government not feeling that women were second class citizens, because this Doctor Warner was a very imposing woman. Doctor Aberle, the head of the agency, was both a physician, an M.D., and a Ph.D. in anthropology. So, I had no idea that women weren't supposed to be in government because I'd worked for two of them.

Q: Were there any Pueblos in the organization?

SPECTOR: Pueblos? Maybe one or two. Very, very few. It's quite interesting. However, you got out to the Navajo, you'd find more Indians working in administrative jobs. That got larger and larger. I must say, it was interesting that many of these Indians in the Navajo were not Navajos. They were Cherokees or other Indians. But it was very interesting, working with the Indians, because... And to this day, I don't have any great ideas on how the U.S. could have done better in dealing with them. I know, all of the people I ever dealt with, they tried, they really cared about the Indians and tried valiantly. I'm not sure that we've ever done a very good job. It makes me wonder how well we can do overseas if we can't do better with our own Native Americans.

Q: You have an understanding about what may be the primary problem about being more effective?

SPECTOR: No, Haven, I wish I did. It's a great puzzlement to me. Maybe we've been too paternalistic. Maybe we've given too much with not enough teaching and more self-help. Of course, there's all kinds of schools. There's universities, colleges. But I really don't know. You go back there today - I drove back there about five years ago. The Navajo reservation looked to me pretty much the way it did fifty years ago. Now they're living in a little better housing. They're now giving up their beautiful hogans, those circular buildings. They're living in trailers, which are much more comfortable and not one tenth as attractive. But they're probably living more comfortably. I came to Washington...

Q: In 1941?

Assignment with the War Relocation Authority - 1941

SPECTOR: December 2, 1941. I got this telegram that said, "Would you be interested in a -." It was a CAF-5 position classification. I felt this was an offer of employment. I got off the train, called the phone number and this woman said, "What are you doing here? That wasn't an offer of a job. It was just an inquiry." Anyway, they put me to work. But then they found out I'd worked in the Indian Service. This was a central - it was called

Office for Emergency Management. It was set up to serve the various war agencies, rather than have each agency have its own. This was a central personnel office that serviced many agencies. Some of them were big enough to have their own personnel offices, but the smaller ones didn't. One of them that needed help was called the War Relocation Authority. This is the Authority that had jurisdiction over the Japanese Americans who had been interned in camps, a very bad chapter in our history. Because I'd been working in the Indian Service, they detailed me over there. And, finally, I transferred to their payroll. So here again, I was caught up with, although I was in Personnel, the problem of dealing with people that had never know of another culture. I learned again that, in the early days, these people were treated so badly: herded together in baseball fields, stadiums, and then they built camps for them all in pretty remote areas. They were called "resettlement camps," but call them "concentration camps," anything you want. Great big buildings. Far too many families to a building. No privacy. They were very unhappy.

So we called on cultural anthropologists from the Indian Service. One was John Embree, one of the great ones who died later. George Leightan from Cornell, who wrote one of the best books on this subject. They said, "Look, you've got to understand their culture. For one thing, you have provided no place for them to worship." So, they built Shinto temples for them. These people liked communal baths, so they started to build these great big bathtubs. So, there were little things like that that I learned you have to do. But I want to just say one thing here, because I hope we're talking in all of this about administration as well as technical assistance or development. War Relocation Authority was first headed up by Milton Eisenhower, the brother of President Eisenhower, and Milton was then the Eisenhower in town. The other Eisenhower wasn't well known. Milton Eisenhower just couldn't take it. He just couldn't take the job of handling these mistreated Americans. He hated what he was doing. But he had a car pool mate named Dillon Myer. Dillon Myer was a very skilled administrator. He'd been the head of the Soil Conservation Service, former agricultural extension agent. Again, learning to deal with other people, dealing with your clients. He was the best administrator I've ever known. He believed in communication. He would have a meeting once a week, on Thursday, at night, and meet with anybody that wanted to meet. He'd have his top staff there. Anyone could come to the meeting and talk about anything they wanted to talk about. This was 1942, '43. I, in Personnel, could ask the agricultural man, "Why are you doing this or that?" This gave people a feeling of belonging to the organization.

Q: At whatever level?

SPECTOR: It didn't matter. But he would have his top staff there, so you could ask the questions and there would be a dialogue. About once every three or four months, during the workday, he'd close down the Agency for maybe thirty minutes. He'd call everyone together, everyone. We had trouble covering the phones, for example. Including the one chauffeur we had. He'd say, "We've got to work ourselves out of a job. We've got to return these American citizens to their rightful place. We've got to tear down those walls." That's the kind of man he was. And books have been written about him since that say what an S.O.B. he was. Nobody knows the truth. When he died, Japanese Americans

conducted his funeral. That's how he was beloved. Later, I used Dillon in AID, setting up some things. He was a very, very great man and taught me an awful lot. After - well, I was drafted. I don't think this has much bearing on what we're talking about, but I did learn more about organization. I worked in the headquarters of the Army/Air Force, doing organization charts.

Drafted into the Army / Air Force headquarters and the UNRRA overseas - 1945

Q: In Washington?

SPECTOR: In Washington. General Arnold ran the Army Air Force with charts. He was a form man. And I kept this big book of charts. He'd sign them off. All that went out to the Air Force overseas: the 8th, the 9th, the 7th, the 3rd, and so on. I tried to go overseas a couple of times. They wouldn't let me go the first time because I had this damn chart business. Finally, I got assigned overseas. I went home, told my parents "Goodbye" in Albuquerque, told Louise "Goodbye" - we were going together, later my wife. And the war was over. There was an organization called UNRRA: United Nations Relief and Rehabilitation Administration, with headquarters in Washington. I knew some people there. They said, "Look, we need people desperately in Personnel. We can get you out." They got me out. So, by about September 1945, I was working at UNRRA. So, I guess there you can say was the first time I was really working in an international organization - again, in Personnel.

Q: You were in Washington?

SPECTOR: Washington Personnel, yes. Interesting to AID's organization later, with foreign assistance - I love to tell this anecdote. UNRRA was always under fire from Congress for not being run well - first Governor Lehmann, then Mayor Fiorello La Guardia. La Guardia was a little better. But the finances were in disarray, so that the Assistant Secretary of State, Will Clayton, formerly one of the big cotton brokers in Texas, went to Congress and said, "Look, this is important. We ought to set up a controller to have control over all the finances of UNRRA. I'll give you my controller, who's the best man in the world [His name was Howell, by the way]." Congress said, "Okay." I think that's where the whole controller business started and that's why we had a controller in AID from the very beginning. You see, only a very few years later - two or four or five years later - they wanted to be sure that the Marshall Plan would have the same kind of control over its finances which the UNRRA got over its finances. That's why we've got this Controller. Then, later, it spread to other parts of the government.

Q: But prior to that, there was nothing called a "controller?"

SPECTOR: As far as I know.

Q: Then how were finances managed?

SPECTOR: Well, they were managed by Budget and Fiscal Officers and an audit officer. The Controller reported directly to the head of the Agency, whereas the Budget and Finance Officers reported to an Assistant Secretary. I've talked to various Controllers and I think that's where it got started - in UNRRA.

After about a year there, and I enjoyed it very much, I once again became aware of the needs overseas. I was in Washington, but I was filling jobs all over the world. Don't get me wrong: I was one of many people doing this, but I was one. And there I want to bring up this name because, later, he comes into the AID picture very greatly. I met a young man. He was a security investigator. I always had the vision of a security guy being kind of a gumshoe or a flatfoot and I was very impressed with this young man. He was bright and articulate and so on. His name was Richard Barrett. I said, "What are you doing? Why don't you go into Personnel?" So, I persuaded him to come to Personnel and work for my boss, who was another woman. (Again, working for women!) She was a very, very able person. Barrett and I became very good friends from that day on. He had not gone to college at that point, because he was 4F and he was supporting a family. But, because I had good connections in Albuquerque (the Chairman of the Board of Regents was a good friend of mine - Federal Judge Bratton), I wrote him a letter. Back in '46, getting into college, unless you were a GI or just coming out of high school, was very, very difficult. So, he went to the University of New Mexico - Richard Barrett. He comes into my story later, especially in the setting up of AID.

I quit after a year. My parents said, "You've got to come back and take over the businesses," which was horrible. I didn't want to do it. My mother had two curio stores and my father ran a pawn shop and I didn't want to do either one. I don't like retail. I don't like selling. I still don't. I tried to get into business. I want to tell this anecdote because I had this vision of government being pure and wonderful. A friend of mine and I decided that the way to make a million dollars was to buy a surplus factory owned by the federal government. We got the idea of buying an oxygen plant. We found an oxygen plant was available in a place called Pascagoula, Mississippi. So, he and I traveled to Pascagoula, but the headquarters for that area was in New Orleans. It was called the War Assets Administration. They were selling off all the assets. So, here was this oxygen plant that was worth several million dollars. But they were going for a song. This man who dealt with it said, "You know, I can get that for you." This was a government worker, a government official. He said, "If you can assure me of a job afterwards." We just weren't going to play that kind of a game and we told him so. I think we put in a bid of $123,450 - you know, one, two, three, four, five. We were told a couple of months later, when the bids came in, that we were outbid by the big outfit that owns all the oxygen plants in the country, by $10. He was telling us, you see, exactly what happened. Later, we took this to court and we won. But, by that time, I was back in Washington. I didn't care. But that was a shocker to me, that government people could be venal. I just couldn't believe it. I was a starry eyed kind of guy.

Position with State Department Personnel Office - 1948

I came to Washington. I was offered a job in the State Department, in the Director General's office. In those days, the Director General was then the Director of Personnel. He had planning and organization and many other things. A new act had been passes, the Foreign Service Act of 1946, which meant that all of the jobs had to be classified in the Foreign Service.

So, a team of us - three of us - went for a two and a half-month trip to Latin America. We'd see the Consulates, Consulates General and Embassies. It was the very best possible introduction to the Foreign Service because we covered every job in the Consulate or Embassy -- And we would trade-off. In one Embassy, I'd handle Economic and someone else would handle the Administrative. In another Embassy, I'd handle Political... So, by the time we were through, the three of us were fully grounded in how the Foreign Service was run. We learned, too, of the prejudices of the Foreign Service, which are still to this day, political, in the functional sense. Number one is political. I wrote letters back to Washington, saying that these political boys run the Embassies. When we would go to an Embassy, we would say to the Ambassador or to the DCM, "We want to have a meeting of everybody." He'd say, "Okay," and he'd call in the Political staff. We'd say, "No, we want the Economic people." "Leave out the Administrative?" "No, we want everybody." And the information, whatever information there was in those days, which was cultural. Finally, we said, "Look, we consider everybody a part of the Embassy." That was a very good...

Q: That was a pattern all over?

SPECTOR: All over. Absolutely. Still, to this day, I think that, if you want to get ahead in the Foreign Service, you put your major time into the Political Section. Desk here in Washington, Office Director in Washington, Political in the field. You take other jobs just to show, you know - but you stay in that.

Personnel work for ECA - 1948

So, I came back to Washington. I was doing classification work. In early '48, the Marshall Plan was being set up. The way it was set up - when you say the Marshall Plan, you're really talking about the Economic Cooperation Administration, but the popular name of the work they did in Europe was called the Marshall Plan. There were other missions under the ECA in the Far East. In setting it up, the President had appointed Paul Hoffman. In those day, he was very well known. He had been the head of Studebaker Automobile Company and he was considered one of the top businessmen in the country. He was the head of the Agency. In the law that had set up the ECA, the administrator was given options. Here in Washington, he had to use Civil Service, except for these 400 excepted jobs. The administrator was given two options overseas. He could either set up his own personnel system completely or he could use the State Department's Foreign Service. Mr Hoffman, in consultation with Mr. John Peurifoy, who was the Assistant Secretary of State for Administration, decided to use the Foreign Service. This meant that you had to set up Foreign Service jobs overseas for the Marshall Plan. The State Department had the appointing authority.

Q: Why did they make that choice, do you know?

SPECTOR: I don't really know. I think it seemed to be easier. I think they thought, "Hey, here's a system we can already use. It's in place." And he was assured by Peurifoy that he would be flexible and that's probably why they did it. Because they used the Foreign Service, a whole team was sent over to the Marshall Plan, which, by the way, was in the Maiatico Building, on the corner of Connecticut and H Street - 800 Connecticut Ave., NW. We sent over some young man, a Budget and Fiscal, a young man named John Murphy was the Budget and Fiscal guy. I think Orbun Powell. And in Personnel, a man named Everett Bellows. He said that he wouldn't go unless I could go with him, because he didn't know anything about position classification. Then on communications, we had to use the State Department's communication area. So, a team of us went over in March. The building was just being finished. They were putting up partitions all around the place and telephone lines were coming down from the ceiling. You would hear partitions being put up with guns. You were talking on the phone and you'd jump up out of your chair as another gunshot went off, putting a rivet into a wall. We set up a one stop personnel system.

Let me go back to my own particular job. What we did was, we set up jobs all over the world - Europe mostly. I did not do the organization part. Robert Rupard did that. I classified the jobs. It was my job to decide whether they were FSN-3, FSN-2 or what. I based those jobs mostly on comparing them with jobs with the State Department. Take an industry job and, as much as I could, compare it with a Commerce job or a Commercial Attaché job and use other specifications that you had around the Federal Government. We were keeping them in line as much as we could. I think we were a little bit over what the regular Foreign Service had because the regular Foreign Service was always short of money, which is probably true to this very day. We probably classified the jobs a little bit higher than the regular Foreign Service.

Q: Harder to attract people, I guess.

SPECTOR: Exactly. We had to attract people all over. It wasn't too difficult to attract, because the Marshall Plan had a great cache. People thought that this was the good thing to do, that Europe needed help, and so on, as you know. Wil Clayton had come back in '47 from Europe, saying Europe was collapsing and started all of this ferment towards helping Europe. It was mostly Europe, but other things happened around the world that we picked up to. In Formosa, in China, the Philippines, India, places like that. It was a very heady time. We were working very long hours. One little anecdote I'd like to put in here was when we tried to set up a one stop service. We wanted to be able to, if we wanted the person, bring them in, approve their qualifications, get them a security clearance, give them a medical exam (we had Public Health Service set up a unit there to give them a physical) and issue them a passport, all within our building, the Maiatico Building. All in one day! We had all those things in place except passport issuance, because the Passport Division was being run by a very able, autocratic woman named Mrs. Shipley, a wonderful woman. That was our last point. So, one day, Everett Bellows,

my boss, and I went over to see Mrs. Shipley, to try to talk her into sending someone over to issue them physically in our building. First, she kept us waiting for 40 minutes. Then - she was a good looking woman - took off her glasses and said, "You're about as welcome as the flu," which kind of dates everything. Then we chatted with Mrs. Shipley. Now, I'm patting myself on the back a little bit and I said, "Well, Mrs. Shipley, I know how important passports are. I've just finished reading *The Meaning of Treason*, by Rebecca West, I knew from that that 'Lord Haw-haw,' who was hanged as a traitor because he had been broadcasting from Germany while holding a British passport. And so she said, "Well, yes, you understand" and we got the authority. In one day, we could hire a person, issue a passport, give them a ticket and send them out to the airport.

Q: And you got the security clearance in one day?

SPECTOR: Yes. And we did that for years. That was one of the bad things that they dealt with later - we gave that up. We would clear people based on a quick check, using the House Un-American Activities list and the Attorney General's list of subversive organizations. If they weren't on that, we hired them, subject to a full FBI clearance later. It was a handful, out of hundreds and hundreds, that ever were turned down later. So, you could quickly put them on the job.

Q: And you'd take them off the job then?

SPECTOR: We did, but it was worth it for the 99+ percent that got on the job. Later, Dave Bell stopped that when he became Director, and I don't know why. And we had the toughest security law of any civilian agency in town, except the CIA. Because no one could go to work for us if they'd ever worked in any way for any organization that was on the House list of Un-American activities, or on the Attorney General's list. So, we sent people overseas very, very quickly and did a very good job.

Our very top people were hired by Tex Moore, who was a brother in law of Paul Hoffman. He wanted to control the very top jobs. To this day, I bet you still have an executive recruiter at AID and that goes back to Paul Hoffman. No other agency that I know of has executive recruiters that I know of, except AID. He hired top flight people: Zellerbach in Italy; Thomas Finletter, former Secretary of the Navy; David Bruce in France; Roger Lapham in Greece. Very top people. We're talking now of '48.

Q: Mostly business people.

SPECTOR: Mostly business people, yes. Under them, though, we had some very, very able economists, lawyers, administrators and so on. In Paris there was Averell Harriman, a Democrat; in Washington, Paul Hoffman, a Republican. It was a non-partisan agency. Under Harriman, you had some of the best brains: Lincoln Gordon as Program Officer; Milton Katz of Harvard Law as legal man. Here in Washington was Najeeb Halaby as a lawyer; you had as your real brains, Richard Bissell, who later went to a top job in CIA. The very top people because we could attract all the very top people. It was a very heady time.

My job quickly was over in classification, but they kept me on to approve Personnel actions. Here I was a lowly GS-12, approving men who were going to be the equivalent of Deputy Ambassadors, but it was pro-forma really, and that's the way it should have been. I had no real reason to object to any of them. But I did set up a group to draft a Personnel Manual. Our people in Paris (we had a large staff in Paris) wanted their own authorities to hire and handle people, but being very intelligent, good administrators, they knew they needed bases upon which to do it. So, I had two very good women - Jane Ganeshan and Betty Biggis - to write the manual. We had a manual done in 60 days.

I eventually went back to State, toward the end of '48. Louise and I got married in November. I was number two in the employment section of State. I was the Executive Secretary of the Foreign Service, the Board of the Foreign Service, when I got a letter, asking me to come over and be the Deputy Director of Personnel for the Marshall Plan in Europe. And we went. It was a very happy time. But I want to say one thing about setting up the Marshall Plan, which I hadn't mentioned before.

It was set up mostly by people who were economists and they had made no provision for technical assistance. It was all just the heavy stuff, worrying about coal and steel and things like that. But Don Stone said, "This is ridiculous. There ought to be technical assistance, too." (Donald Stone was the top administrative person.) Most of the funds we used for setting up the Marshall Plan here in Washington were administrative funds, which becomes very important later. Don, being very bright, used program funds, which were many more, to set up technical assistance. He used people like William Colman, Jack Forbes, to set up the technical assistance branch and that's where all the participant training was. Oh, Richard Bissell was the big thinker of this and he was very much against technical assistance - “Oh, we didn't need that kind of stuff; these are countries that know what they are doing.” He was right, in a way. This wasn't backwards parts of Latin America or Africa or the Far East. But there were parts of Europe that did need technical assistance - and some to this day - Ireland, Southern Italy, Greece, Turkey.

Q: I understand that even at that time, many of the countries, because of the War, had lost out on the advances in technology. So, they needed updating, which was an important part of the technical assistance process.

SPECTOR: Yes. Although I was not a part of it, you had the Americans and the British on the British-American Productivity Council to start transferring part of that productivity over to England. Then, we built up in Washington and in Paris, a Productivity Staff, which was doing the kind of things that you mentioned to help bridge the technological gap. And the participant training was a great part of that.

Q: Did Don Stone have a particular part of technical assistance he was promoting?

SPECTOR: No, just a general part. Don was the Assistant Administrator for Administration. Don was perhaps the first person after Truman dragooned Paul Hoffman into the job of head of this ECA. He called upon the Director of the Budget Bureau to

give him a man to give him help. Hoffman knew nothing about government. The head of the Budget Bureau gave him Don Stone. Don brought over some of his people from the Bureau right away to help set up the offices and he knew this new building that was being built just one block from the Old Executive Office Building, the Maiatico Building. It was destined for some other agency, but the ECA had such clout that Don got it for ECA. The building wasn't finished. It was a shell. The floors were in, but there were no partitions, no phones or anything like that. Within a week, he had offices in, phones working, and a place for Paul Hoffman to sit, and Dick Bissell and so on. It was a marvelous job. But Don was one of these dynamos, so just running the administrative part of ECA wasn't enough for Don. He kept two assistants, two secretaries going at all times.

So, he set up this technical assistance thing. He had a big interest in public administration, but he didn't push that as such. He had gone to Brussels, as you know, but I think this was before ECA. He'd been sent there by Secretary Marshall to reestablish the International Institute of Administrative Sciences, which had been decimated by the Nazis. They had just killed it. Don went over there and reestablished that.

Assignment with ECA in Paris - 1949-51

I went to Paris as the Deputy Personnel Officer for the European Region. The regional office was quite large, about 800 people, run by Averell Harriman. His first Deputy was William Foster, who came back later to run the Agency. Under them were very bright and able people. They were able to attract young, bright people. In the Legal Office, for instance, we had Kingman Brewster, a young man who later became President of Yale. We had John McNaughton, who later became Secretary of the Navy under John F. Kennedy. Then, the other thing we were able to do was just hire locally. You had so many people over in Europe on the GI Bill, who wanted to work there and get access to our commissary and PX. But we picked up some awfully good people that later became Controllers, Deputy Mission Directors and finally AID Directors.

Q: The structure I understand, from others - the Marshall Plan Overseas Office was separate from the Embassy. Is that right or not?

SPECTOR: Yes. They were pretty separate from the Embassy. The Mission Director ranked immediately after the Ambassador, but had a separate office because the Embassies were mostly too small and we had a fairly large staff. We had Industry Officer, a Program Officer, a Labor Officer, an Agricultural Officer, and so on.

Q: And an economist.

SPECTOR: Well, the Program Officer was the economist. Of course, this gave the State Department a whole lot of heartburn because you had the other person in town who ranked right after the Ambassador. And, of course, we had money. We had counterpart funds just coming out of our ears.

Q: So relationships with the host government were complex in the sense of the Ambassador's role of vis a vis the Mission Director.

SPECTOR: They were.

Q: Did you have to deal with issues like that?

SPECTOR: I personally didn't until later, when I was in a Mission myself. But, yes, the governments often turned to the foreign assistance, to the ECA people, because they knew that they had the money. They didn't think that the Ambassador had an awful lot to say about it. Now, the Ambassador had one last thing. He could declare a person "Non Grata" and get him out if he didn't like him. But I don't think there was ever a case that came to that. We had to get rid of one Mission Director for other reasons, because he was living with his secretary, openly in Austria, where that wasn't looked upon kindly, being a very good Catholic country. On the other hand, the Marshall Plan was very good for the Foreign Service. We were using the Foreign Service Act, Foreign Service Law, but we said, "We're going to base our work on the law, not on the State Department regulations." The State Department was antiquated because of lack of funds. For example, take home leave. If you were on, say, your two year tour, waiting for home leave - if, for any reason you had to come back to the United States, for compassionate reasons (you had a parent dying, had to bring a child back who was ill), your home leave began again. It was ridiculous. So, you may have had a year and a half and had to come back because your father was dying. Too bad! Your home leave began again. That was ridiculous and we told the State Department that. The reason they did it was money. They were always short of money. But part of it was very bad accounting. They didn't know what they were doing. We would take various things like that and say, "Look, we're going to go ahead and do it." Next year, they would go to Congress and say, "Look, these darn Marshall Plan people are doing it." Then the Congress would have to give them the money to make up so they could get up to the level of the Marshall Plan. So, in effect, we were helping State get more money. This was in addition to the money that we gave State on certain support they were getting out of the communications area and other areas, which was always more than they really deserved.

Q: Were the Marshall Plan staff regular Foreign Service Officers?

SPECTOR: No, they were always our very own staff.

Q: So, they didn't have the career status.

SPECTOR: That was the difference. They never had the (and up until very recently, up until the Foreign Service Act of 1980) security of a Foreign Service Officer. Yet, the Foreign Service Officer, by the way, had a selection up, selection out, which the Marshall Plan people did not have. It was kind of a balance. Also, when we found something in the Act that was really troublesome, that we needed more leeway one, we'd consult with the State Department. Then, using the Foreign Assistance Authorization Bill, get

amendments to the Foreign Service Act, which would give them more leeway for all of us, which we used later when we set up AID.

Q: Did this create tensions between the two, having parallel systems of different character?

SPECTOR: Yes, it did. The tensions were always resolved in months, really, because they would quickly catch up with us.

Q: There wasn't any attempt to make everybody part of a career Foreign Service and have one Foreign Service?

SPECTOR: Yes, but I'll get into that later. Yes, there was and that has always been my dream.

Q: We'll come to that later then.

SPECTOR: Right, but you are correct.

Q: When you were working in Paris, were there particular issues that you had to deal with in the Personnel operations there in Paris?

SPECTOR: The problem that I had to deal with mostly was that we tried more and more to be more efficient, to process faster, to hire faster, to get to do whatever we had to do in a more efficient way. After I'd been there a few months as the Deputy, the Personnel Officer detached me from my regular duties. I did an organizational study of the Personnel Office. We had about 35 or 40 people. That taught me an awful lot because, in dealing with the Office, in dealing with each procedure, we were able to change it right on the spot, being as I was part of the Office. I didn't just do a study, throw it down, and say, "This is it." And that was the way I always tried to work later.

We had problems, of course, individual problems. A few of these cases, where I'd said we would hire people immediately based on a brief security check. We had a handful of people that would come through that, when the full check came through, we had to fire them. But we went along pretty well.

I was in the job for about a year. This is important to me: I got hepatitis and I was in the hospital for several weeks. Somebody gave me a book to read by Stuart Chase called, The Proper Study of Man. This was based on the Alexander Polk's ...the Proper Study of Mankind as Man. In it, I became very much aware of the social sciences again. I decided that, here I was in Personnel and I was using what I call a "cook book" philosophy. You do this, it tells you to do that, so many teaspoons of that, but I had no underlying philosophy of how to deal in Personnel. Here I am dealing with human beings. So I met in Paris a psychiatrist named Mottram Torre. He was a Public Health Officer, but also a psychiatrist. I began psychoanalysis under him, to try to understand myself better and to read more in personnel.

One of the men in Paris was named Jack Kubisch, a very good friend of mine. He was the head of the Organization and Management Unit. He left to go back to the country to make a million dollars so he could come back into the Foreign Service and not have to take nothing off nobody, which he did. He became Ambassador to Greece, finally. So that job was open and they detailed me to that job. I became the acting head of Organization and Management. I brought Torre in to have sessions with my staff. I guess I didn't know it, but I was beginning sensitivity training. I wanted them to understand better themselves, so when they dealt with our clients - and we were doing studies of both the Missions and Paris headquarters - we would do a better job of it. We would understand their problems. I've carried this out wherever I've been. I've tried to use what I call being sensitized to the other persons needs.

One of the things that I did when I was in that job- Waldemar Nielsen was the head of our Information operation. We had a huge Information operation. We had all this counterpart money, so we had in Europe, newspapers and magazines and traveling fairs and so on. It was set up beside the State Department, which had a very tiny Cultural Office. I was on my way to Turkey on another problem, which was a secretary who had written us privately that she'd been molested by the Deputy Chief of Mission. He tried to rape her, according to her. I was sent there under the cover of looking into the budget, but to actually talk to her, too. While I was there, Waldemar Nielsen said, "Look, why do we have these two competing Information Offices there? Why don't you talk to the Ambassador and see if we, on a trial basis, could put them together - the Cultural Affairs, the Information Affairs together?" We had an old time Ambassador, a wonderful man who's name I can't remember now, in Turkey and we did. I think this was the forerunner of USIA. This was the first time you had a combined Cultural and Information Office in one of the diplomatic missions. By the way, the young lady, after I got there, recanted. She would not admit that it happened. The man who was accused of the molestation went on to become the head of one of the largest corporations in America.

Q: We'll leave his name out.

SPECTOR: No, well, I don't even remember it.

Q: But your role there was that you were working on the State Department side as well as the ECA side, weren't you?

SPECTOR: When I was in the Organization Management job, Lincoln Gordon was our top Program Officer. He was being sent back to Washington to work for Averell Harriman, who had been sent back to Washington. He went around to all the Missions and he said, "You know, this is ridiculous: every Mission has the same organization. It's like saying, 'Every person wears a size 38 coat.'" He called me and a couple of others into his office and we said, "We ought to try to reform our Mission so they relate to the programs." It's called "program budgeting." So, the Bureau of the Budget sent over a man named Hirst Sutton and a young man named John P. Robinson. The three of us worked on trying this new program budgeting system. We worked on it for about three months

and then the Korean War came along and blew us out of the water. I don't know why it affected us so much in Paris, but we didn't continue with it.

There is another anecdote which bears on this whole issue. My wife was a secretary of Americans for Democratic Action, in Paris. We had a nice unit. I was not a member because I felt that I shouldn't get into politics. Mrs. Eleanor Roosevelt came to Paris on a visit. The people wanted to give a tea for her and they did. It was on a Saturday afternoon and I got there early. Of course, Mrs. Roosevelt was always on time. She was there and I had to entertain her for 15 minutes. To this day, I do not remember a thing that we discussed. I was in so much awe of her. This was an icon and still an icon to me. But I do remember later, when the other people came into the room- She was then a Delegate to the United Nations. We asked her how she liked it. She said, "Well, in filling out the forms, they asked me to fill out all of the organizations that I'd ever been a member of. That would've taken up too much room, so I just listed the subversive ones." But the important thing that she said, and this had to be 1951, was that, "I think you're making a big mistake in the Marshall Plan. You're selling it strictly on anti-Communism and there's many, many reasons to do the things we do that have nothing to do with being anti-Communistic. You are only aiding and abetting what's happening back in the United States. There's a man named ‘McCarthy,' who is building up a lot of interest and furor about Communists and you're just aiding and abetting that." And I think we've lived to regret how much we made what we did always anti-Communist. So she was way ahead of her time.

I came back after about two years to the States. I was offered a job as the Deputy Director of Personnel of the entire Agency. This was back in Washington. This included our other Missions - by that time, we had Missions in Indochina.

Return to Washington as ECA Deputy Director of Personnel and FOA, then MSA - 1951-54

Q: The ECA had Missions in Indochina?

SPECTOR: Yes, we had a Mission in Indochina. We had a Mission in the Philippines. Mission in Formosa. And a Mission in India. At least, those are the four that I remember.

Q: This was a change in objective of the Marshall Plan, wasn't it?

SPECTOR: No, the economic cooperation... There were problems that came up, for instance, in the Philippines. They first sent out a Treasury Group to deal with that. Then they decided that the Philippine Government needed more help than just what the Treasury could do, so we had a Mission there. I guess we wanted to help Formosa. I don't know how we got involved in India, but we had a Mission. We had one in Indochina. One of my problems was getting anyone to go there.

Q: Where?

SPECTOR: Saigon.

Q: In 1951?

SPECTOR: Yes. We had trouble getting people to go there. We hired secretaries on a worldwide basis because we knew every secretary we hired wanted to go to Paris or London. So, we'd first send them to a place like Vietnam and then we'd send them to Paris after two years or to Lisbon or so on.

I'll give you one example which led to the kind of organization that we finally came up with. In the Philippines, when I was in Personnel, there was an election. Magsaysay was the man that the U.S. was behind. It seemed that, according to the Embassy, we felt that he would have a much better chance of winning if something was done about a rice blight. And we had agricultural people. They were on the roles of the Department of Agriculture, but being sent there under our aegis. So, the Mission Director went to the agriculture people and said, "Would you please stop doing this and go over and help on the rice blight?" And they said, "No, no. We came here for something else." And they said, "Yes, but the Ambassador or the ICA Director wants you to do that." And they said, "No, no."

So, I got a cable that said, "Would you remove these people?" And I did, saying, "You don't want to do the work" and we yanked them out. You had that kind of a problem. In the Personnel Office, we did some good things. Part of our problem in sending people overseas was that we did it based on just a brief description: "We need an agricultural expert for Formosa, in rice." So, what we did was, I had a very excellent man named Ernest Barbour working for me. We set up something called an "AirPar: Airgram Personnel Action Request." It had details so that you would have details on precisely what it was this job required in terms of relationships, what that person had to do, what the duties and responsibilities were, and the relationships with other people, with say the Agricultural Attaché of the Embassy, with the government and so on. But it was done on an Airgram, which was a faster means of communication.

A thing I devoted quite a bit of my attention to, working personally with Don Stone - although I was the Deputy, he liked to work with me - was that we wanted to orient people to work overseas. You could hire a person who'd be a perfectly fine accountant. Well, let's not use accountant because that would be internal. Let's say, a perfectly fine agricultural person in Denver or Atlanta, but send them into Southern Greece or Indochina and they wouldn't work so well. So, what we tried to do was give them some orientation. For that, we used the very excellent people they had in the Department of State. In those days, they had cultural anthropologists. They had one man named Edward T. Hall, a fine cultural anthropologist. We sent them for some training there. I myself took courses at the Washington School of Psychiatry in anthropology. We also used people from the Farm Security Administration to help us orient people because they were dealing not with other cultures but, in places like New Mexico, you're dealing with a Hispanic culture. You're dealing with some other cultures in Southern Louisiana and so on. But you had to get at it in the recruiting. So, we set up a joint project of the United

States Public Health Service, the Air Force, the Civil Service Commission and ourselves to see how you could ascertain before a person went overseas whether that person would be able to operated in that kind of an environment. We needed some extra money for this. With all of our money, we didn't have money in the budget. We needed $50,000. So, Don Stone and I went up to see the head of the Agency, whose name was John Kenney, who had been the legal man for the U.S. Navy during the War.

Q: He was the head of the MSA?

SPECTOR: Yes, John Kenney. By then, we were MSA - Mutual Security Agency. Don and I went up to see him. Don was leading the conversation. He said, "You know, Mr. Kenney, there are other things in life and in Personnel than just how well a person does the job." John Kenney was the kind of man who would go to the Metropolitan Club every day for lunch, have a couple of Manhattans, smoked a big cigar... He's a wonderful, able man, by the way. I don't mean to denigrate him. He learned back in his chair and said, "Don, I think I know what you're talking about. When I was the Legal Counsel for the Navy during WWII, I had quite a staff of officers, lawyers working for me. And one man, Don, drank." You know, Haven, that Don did not drink, nor did he swear. Kenney said, "Sometimes, you could smell liquor on his breath. So, I called my Exec and I said, 'You know, we have to get rid of that fellow. Get him out, get him reassigned, but get him out.' Two or three weeks went by and I saw the man was still there, so I called in the Exec and I said, 'Why is he still here?' And he said, 'You know, Mr. Kenney, you know how much trouble we've had finding you a good secretary that you really like? She's been pretty unhappy in Washington and she had threatened to go back to her home, but she fell in love with this man and he's been sleeping with her and keeping her happy. So, in order to keep her, we've kept him.'" And Kenney said, "Now, is that what you mean?" And Don blushed red. Dear, sweet Don nodded his head and we got our $50,000. To this day, Haven, I still don't know whether we have tests that can ascertain in advance whether a person is going to function well in a foreign environment.

Q: What did this group produce?

SPECTOR: They produced a study of this, that and the other that I don't remember much about because it didn't- Well, they found that a rigid personality didn't work well overseas. But I had come up really earlier that what you needed to find in people to be a successful overseas person, if you could ascertain it, was whether he had a decent, really solid sense of humor. A person who doesn't take himself seriously, who can adjust to different environments.

One thing happened during that period which was very interesting. My old boss from Albuquerque, Dr. Aberle, came to Washington. She had a wonderful idea. She went to see her Senator, Clinton P. Anderson, who went to Harriman- By that time, I'd been assigned to Harriman. Harriman came back from Paris to be a Special Assistant to the President for Foreign Assistance Affairs, to kind of coordinate from the White House level, MSA. And by that point, you had TCA, the Technical Cooperation Administration, popularly known as "Point 4." You had the Institute of Inter American Affairs, which is

the old Latin American group, and you had some military assistance coming onto the Defense Department. Truman put Harriman in charge of all that. He had a small staff over in the Old Executive Office Building, where the Vice President has his office now. He had on his staff John Murphy, Ted Tannenwald as his lawyer, Lincoln Gordon as his Program Officer, a man named William Sheppard as his administrative man, and a labor person who later became Ambassador to Korea.

Q: This was in 1951?

SPECTOR: This was about 1952. I was sent over to be the Personnel man. So, I had two jobs, really. I was still the Deputy of Personnel. So, Dr. Aberle went to Harriman and asked-

Q: You were a Deputy in the MSA. You had moved from ECA to MSA.

SPECTOR: ECA had become MSA. Harriman's job was called "Special Coordinator for Mutual Security," but we still had a Mutual Security Agency and that was headed by John Kenney. Dr. Aberle went to Harriman and asked for my detail for three or four weeks to New Mexico. Her idea was that, here you have these three cultures, the Native American, the Hispanic, and the Anglo. And you had these universities: the University of New Mexico, New Mexico State and so on. Couldn't there be some kind of a consortium put together of these colleges and universities that could be used as training for people going overseas for Point 4, for TCA?

I went to New Mexico and we worked it out. We got a consortium - all of the schools of higher learning to train people to go overseas for TCA. The only problem was that we never discussed this with TCA. So, I came back, presented this report, and they never used it. They never sent anyone to be trained by TCA. But this was the forerunner. They did exactly that later with the Peace Corps. The Peace Corps did that kind of training, which Point 4 should have done at that point.

I was consulting with other parts of TCA. TCA was much different than MSA. TCA was just a consortium of agencies. Each had its own budget for overseas activities. Once a year, they'd sit around a table and they would decide what they were going to do generally in Country X or Country Y.

Q: A consortium of government agencies?

SPECTOR: All government agencies. And they all had their own offices. They were all called "Point 4" offices. Agriculture had a Point 4 office that coordinated their work. Interior had its own and so on.

Q: ECA had its own staff, too?

SPECTOR: Of course, they had nothing to do with us. They didn't use Foreign Service. There was Public Law 600 in those days. They could set up jobs at the same level, but

they didn't use the Foreign Service. We had talks. Phillip Glick was their General Counsel. Phillip Glick was an old friend of mine from War Relocation Days and we talked about some day trying to put TCA on the same basis as MSA. Later, when Eisenhower became President, he was confronted with this problem. It just smacked him right in the face.

TCA had an office in Jordan and it had an office in Israel. Part of the Interior, Bureau of Reclamation or something had sent some engineers to Jordan to work out what should be done with the Jordan River. Very complicated - two Ambassadors were involved, and so on. They worked out how the water should be divided in the Jordan River, which would have led, maybe, to some peace beginning between Jordan and Israel. We're talking of early days of the Eisenhower Administration - '53.

But the engineer working for the Department of the Interior had gone to the King of Jordan and said, "Don't do this. You're being taken for a ride. You're not getting your fair share" and blew the whole thing up. Eisenhower sent Secretary Dulles out. Dulles came back and reported this and Ike just hit the ceiling. He had a fabulous temper, as you know. He said, "Fire this son of a bitch!"

This led to Eisenhower's feeling that there should be one arm overseas, and not all these proliferations.

Q: At that time, TCA had field staff, MSA had field staff?

SPECTOR: Right, and we had both right in the same country, like India.

Q: Was there a Mission that TCA had?

SPECTOR: Yes, these were all Missions.

Q: And there was an MSA Mission as well?

SPECTOR: Yes. To go back just a minute on this whole business of organizations, the Institute of Inter American Affairs was begun during the War mostly by Nelson Rockefeller, by setting up corporations in Delaware. You had an institute for agriculture, one for health, one for education. This man, Dillon Myer, that we mentioned earlier was made the President of the Institute of Inter American Affairs. He found that in these countries - they were called "Field Parties;" an Education Field Party, an Agricultural Field Party, a Health Field Party - they didn't speak to each other. He, being a good administrator, said, "Look, these three can help each other." To use a popular word now that I learned in Mexico, they could be “synergistic.”

Q: They were responsible to the Ambassador, or just to their home office?

SPECTOR: To their home office. Well, they had some kind of a loose responsibility to the - but they kept themselves VERY separate from the Embassy. Very separate. In fact,

we could even have recalled our Ambassador, but the Institute would go right on working. They felt, and I tend to agree largely with them, that the technical assistance to go on to help build the institutions of the country and to build the human resources of the country are so important that they ought to go on, and someday they'll lead to democracy. They prided themselves on not being a part of the Embassy. Mr. Myer did not want to put them under the Ambassador. He just wanted them coordinated among themselves to get the biggest bang for the buck. He set up the idea that one of the three would become the top institute in that country.

I've got an anecdote about Dillon Myer that I think is worth being put down historically. I was having dinner one night many years later with the former head of the Budget Bureau, named Frederick Lawton. We were talking about Dillon Myer and he began to chuckle. He said, "I've got a great story about President Truman and Dillon Myer." I said, "What's that, Mr. Lawton?" He said, "I went to the President to go over the budget and, as you know, President Truman went over the budget line by line. We came to the Institute of Inter American Affairs - this was about 1946 or '47. The figure we'd put in for the entire foreign aid was $3,500,000 to Latin America. Truman said, 'No, no, $5 million.'" Lawton said, "Well, Mr. President, I don't understand. The State Department and the Bureau of the Budget agreed on $3,500,000. I know that Dillon Myer wants $5 million, but we asked for $3,500,000 because the State Department wants to phase all that out." (State's always been against foreign aid, by the way. Now, maybe they've learned that it's a useful tool.) Truman said, "No, no. I want to give Myer $5 million. He came over to see me personally and he convinced me of it. Besides, I'm going to ask him to take a shitty ass job." I said to Mr. Lawton, "Did the President really use those words?" He said, "Those were his exact words." The job that he later asked Dillon to take, which he took, was to become Commissioner of Indian Affairs, which is that kind of a job.

Q: He was in what position?

SPECTOR: He was the head of the Institute of Inter American Affairs, one of the many foreign aid agencies. These were the days of the Eisenhower Administration.

Q: You said that you had a situation where Eisenhower reacted to this multiplicity of agencies overseas.

SPECTOR: He decided that all the foreign affairs agencies would be brought together. He brought in Governor Harold Stassen to be the head of all of that - in essence, first to take the Harriman job. That's how he began it - just moved into Harriman's office.

Q: Harriman was the MSA Coordinator and then he was replaced by Jack Bell, was he?

SPECTOR: No, this was later.

So, Stassen was brought in to be the MSA Coordinator. He called us all in and he said that he wanted to set up an agency. He could do it under Executive Order. He didn't need a law at that point. We started some studies for him.

I want to go back just a second though, Haven. When Eisenhower came in, there was this great hoorah about security in the government. So, they put in J. Edgar Hoover's closest associates all over town as Security Officers. We had one in AID. His name was Thomas Naughten, a very nice guy. But he was an FBI man. He had only collected information; he had never evaluated information. We had a very good security staff. We had a man named Walter Yeagley. I can't remember the name of his Deputy, another good man. Well, they were gotten rid of, because they'd been there before. Whatever new Administration comes in, they don't like whatever was there before, whether it's Republican versus Democrat or Democrat versus Republican. The interesting thing about Walter Yeagley and his Deputy was that they were then hired by the Attorney General. Walter was made Assistant Attorney General and his Deputy was made Deputy Assistant Attorney General. But they weren't good enough for Mr. Stassen. And they were put in charge of internal security for the country! But he just assumed that all these security clearances that had been given before were not good enough. It was just ridiculous.

Stassen was given a mandate from Congress to cut personnel paid from administrative funds by something like 28%. He had 60 days to do it in. He could cut these people without regard to any law, including the Pendleton Act, Veterans's Preference, or anything else. Now, we had done this before. We had cut staff before. Congress loves to do this. Congress always felt that the foreign aid program was too big. There was always something called the Ribicoff amendments, named after a Congressman who later became a Secretary of HEW. The Ribicoff amendment was the same thing. The way we'd done it before under MSA is that we would reorganize. For instance, you had a Program Office that had 12 people in it, maybe you could get along with 10. Or if you had an Agricultural Office, you could get along with 10 instead of 13. Then we would RIF - Reduction in Force. The usual way, with all the protection, until it hurt. Then if it hurt, the head of the office would say, "Here's a very young person. He doesn't have a lot of retention rights, but he's so bright that I don't want to lose him. I want to keep him." And then another person would say, "Look, this guy has been coasting for the last 10 years. He goes out and has three martinis for lunch. I want to get rid of him," even though he could be protected. Those cases would go up to a board, chaired by the top three people of the Agency under the Administrator, usually by a man named C. Tyler Wood, a wonderful man. One of the pillars of the Agency. And they would make a decision. And legally, they could either keep that one person or let the other person go. It worked beautifully.

Well, we went to see Governor Stassen, Bill Sheppard and I and said, "This is the way we did it before." He said, "If Truman did it that way, it's not good enough for me." Truman had nothing to do with it! We said, "Governor, how do you propose we do it then?" He said, "Give everyone an examination. Give everyone a test." And we said, "But Governor, you don't give tests to people once they're in the Agency. You have other ways you can evaluate them." "No, give them a test." Well, I still didn't accept it. I went over to the Civil Service Commission and I got Milton Mandel, who was the head of Examinations. One of the foremost testing people in the United States. He came over to see the Governor. He tried to talk Stassen out of it. Stassen wouldn't be talked out of it.

So, we gave everyone in Washington the exam - two exams. One was a general intelligence test. One was an administrative test. I forget them all. The only two exempt from the test were Stassen and myself, except we decided to take it. And we both passed, I want you to know, Haven, with pretty good grades. Stassen was a very bright person, by the way, for all of his other failings.

Q: This test was developed by -

SPECTOR: By the Civil Service Commission. And then Stassen sat down for three to four weeks. We had set up for him in the Old Executive Office Building, a kind of a command center. I personally would have to carry over - we had our offices over in the Lafayette Building - these personnel folders and put them on his table. He had a pot of coffee going on a burner. That's the way he'd learned to do it in the Navy. He'd been Exec under Admiral Halsey during the War. He was a Navy guy, you see. He put together the test scores, plus these unrefined security files. He'd look through the security file, the test score, the personnel folder and decide whether anyone was going to go or stay. He did this on every single individual in the Washington office, except those paid from Program funds, which was a small number. They were in the technical assistance.

Q: How many people are we talking about?

SPECTOR: Several hundred. Seven or eight hundred. It was a prodigious job. And he had his own formula. And we would talk. He said, "You know, Mel, if I've got 12 economists and I find one economist that I can't find anything else on except that he had a bad debt record, then that's the one I'm going to let go." And that's what he did. If he had the flimsiest kind of security thing, for instance, someone was on the Rolodex of somebody like Alger Hiss, that's the person that he got rid of. On the other hand, if I could go to Stassen and say, "We have a hardship case," he would keep him. There was one case of a man whose wife called and said, "He's dying. He cannot urinate. The urine's building up in his body. He weighed 125 pounds and now weighs 175 - he's dying." So, I immediately called my doctor and said, "Is this possible?" He said, "Oh, yes, psychosomatically." So then I got the head of Health at State to get in touch with the doctor. They confirmed the diagnosis. I then went to Stassen, who said, "Oh, yes, keep him." The man recovered completely. Governor Stassen would tell me who to keep and who to fire. He'd give me a list. And I'd have to issue the letters. They came out over my name. But I'd push him a little bit. I couldn't push him very much. There would be wives who would go into hysterics, who would have nervous breakdowns, over whether their husbands were going to be fired. Stassen kept a lot of them twisting in the wind until he could make up his mind. I worked a couple of nights all night, 24 hours. I worked seven days a week for maybe five weeks and then I worked nights, in order to get these letters out. And to someone who was in trouble, I would call and say, “Look, the letter’s on its way. You’re in.” It was a terrible, terrible time. When it was all over, he brought in a new man named General Riley from the Marine Corps. He had served in Haiti way back. Stassen had gotten to know him under Halsey and he was a real Marine Corps type. He called me in one day and he said, "There's 48 more people that the Governor wants you to fire." I said, "On what basis, General?" He said, "He wants you to fire them, the way you

did all these other people." I said, "We don't have that law anymore." He said, "Find a way." I said, "No, General. I won't find a way. If you've got anything against these people, they ought to have security hearings or anything else" and I went home for three weeks. I just walked out. I just couldn't take it anymore. Heck, I had been wanting to quit all the way through. He had fired people that were friends of mine for no good reason at all. He fired Don Stone. That's how Don got out of the government and went up and became the head of a College and began his whole other wonderful career in public administration.

We had five Controllers and he picked one. He picked Johnny Murphy because he knew him. He was sitting right there. It was a terrible time.

Q: Was there any public or Congressional reaction to this?

SPECTOR: Not an awful lot really. Felix Belair of the New York Times would write it up, but not an awful lot happened. This was Eisenhower and Mr. Nixon gave ideas out: "We're getting rid of people. We're getting rid of security risks" whether they were or not.

Q: These people who were gotten rid of were then tainted with this image.

SPECTOR: Yeah, they were tainted. Some people were rehired by other agencies. A lot of them went to CIA. Some of them ended up in USIA. Others went to foundations. But, yeah, they were.

Q: This was limited to Washington?

SPECTOR: No. Mission Directors, Deputy Mission Directors and Program Officers were all paid from administrative funds. If Congress had been smart, they would have said "Administrative and Program," but they didn't. That's why I luckily had no authority over those other programs, because the people he wanted to fire were all in technical assistance.

Q: Was overseas affected then?

SPECTOR: He did bring some people back, but he did not give them any exam. He just had reasons: political reasons, security reasons - or what he thought were security reasons. For instance, the man that I replaced down in Mexico had been yanked by Stassen for the only reason that his name appeared on a list, on someone's Rolodex, who was a suspect.

Q: So, this test was really not a significant factor?

SPECTOR: No, it was a significant factor, too. In fact, at one time, Johnny Murphy walked into Stassen and said, "You know, we can't get our payroll out."

Stassen said, "Why, Johnny?"

He said, "You fired all my payroll clerks."

Now, they were on the test, you see. It was a terrible, terrible time and clouded the Agency for many years. In fact, when we set up AID, that was in mind because it was lingering still in people's minds. But, now I want to go back a few months. When Eisenhower came in, he had a man in his White House named Phillip Reed, the former President of General Electric, to be head of all U.S. Government Personnel. He was also Chairman of the Civil Service Commission. But in the White House, Phillip Reed had two assistants. One on Domestic Personnel. We're not talking about hiring and firing. We're talking about Personnel systems. And one on Domestic, named Joe Winslow. The other named Henry DuFlon. "Hank," as I called him, was interested in Overseas: what to do about the overseas personnel, the very question that you brought up earlier about "Should they be all under one system or not?" There was a tremendous pressure from the Defense Department to put everyone under Civil Service, to wipe away the Foreign Service, because all of their civilians were under Civil Service. So, Hank went around to see all the Personnel Officers around town. He went to see me, of course. He went to see USIA - everybody. And he gradually was coming up with the idea that there ought to be an all inclusive Foreign Affairs- He did agree, because we all made it very clear, that working in the Foreign Service was much different than working in the Civil Service. In the Foreign Service, you're taking on all kinds of hardships, you were cut off from other opportunities. I mean, if you're fired here in Washington, you go to another agency. You've got friends who you're networking with. You can have investment. You know all the reasons, Haven, why I've always thought that the Foreign Service should have special consideration - better retirement, better health, and so on. And he was impressed with that, I guess, because after I'd been home a couple weeks, I got a call from Hank, saying, "What are you doing?" I said, "I'm doing nothing: waterproofing the basement." He said, "I need help over in the White House." So, there I am the next day, working in the White House, and Stassen doesn't know what to make of all this. Here is this guy- Oh, by the way, I didn't tell you that there was a letter about me that went to Eisenhower. There was a woman named Frances Knight. She was then working for USIA. She got the idea that the Democratic personnel officers were thwarting President Eisenhower's work. And then she used me as an example. For example: Mel Spector. Well, I was not a registered anything. At that point, I was not registered. But she said in all these letters, that I'd set up an outplacement service only to take care of Democrats. And who was the head of all this but that notorious Democrat, Tighe Wood. Well, actually it was C. Tyler Wood. She thought it was Tighe Wood, a man who'd been the head of the Federal Housing Administration. In fact the person that I had in charge of outplacement was a woman who had been recommended to me by Senator Robert Taft of Ohio. It was ridiculous, of course, but Hank took the letter in to Eisenhower and Ike hit the ceiling. He said, "Ty Wood? This is ridiculous! Ty Wood is one of my best friends!" He and Ty were bridge playing partners from Paris when Ike was the head of NATO and Ty was then the head of the remnants of the Marshall Plan. So, I was saved.

There I was working for Hank DuFlon. And our idea was, which I always had been in favor of, was for a combined Foreign Service that would have included foreign assistance

(ICA and Point 4), State and Information. Hank had made a presentation to the Chairman of the Senate Operations Committee named Joseph McCarthy, who had approved of it. He'd done presentations all over the Hill. Everyone liked it on the Hill. You then had a Republican Congress, you know, in the early days of Ike. So, we were off and running. We felt that, finally, we were getting something done. And we got a call one day. Someone on the Hill called Hank and said, "Have you ever heard of a man named 'Wriston?'" And he said, "No." "He's the President of the National City Bank in New York. He's been brought to Washington to work out a new personnel system for the Foreign Service." Scotty McLeod, who was J. Edgar Hoover's man over in the State Department, and the Foreign Service knew what we were up to. The Foreign Service did not want this all-inclusive service at all. So, they brought in Wriston to head up the Wriston Committee. We were shot out of the water. Then Ike had to choose between two different things. He had to either choose between Walter "Bedell" Smith, who was the Under Secretary of State at that point, or his own man, Sherman Adams, who was his Chief of Staff. Sherman Adams was on our side. We were working for Sherman Adams. President Eisenhower went with his own people: Walter "Bedell" Smith. We had Wristonization. This is not a subject of this paper, but you know what that was: it put everyone into the Foreign Service and ruined the institutional memory of the State Department.

Q: Maybe you ought to comment a little bit about specifics - the main lines of what Wristonization did.

SPECTOR: What Wristonization did was they put everybody in State, except the very lowest clerical people, into the Foreign Service. They made them all Foreign Service Officers. Commissioned Officers; not reserves. For a long time, the State Department had Civil Service in Washington and Foreign Service overseas. The Foreign Service came back and served. Very much like the Defense Department, with civilians and commissioned personnel. There was some logic to the idea that the people in Washington had become entrenched with their own ideas and never served overseas. I remember one particular case which I came to know very well later: Mexico. They had a woman named Ruth Hughes, who ran Mexico for years and years and years. She started out as a clerk-typist and rose and rose and rose. Other people came and went. Administrations came and went. Ambassadors came and went. Ruth Hughes ran Mexico policy. So the idea was that you had to get rid of these people. Actually, Ruth got assigned to Mexico later.

Q: On the Wristonization, though, what was their recommendation vis a vis the foreign assistance types?

SPECTOR: Wriston only involved the Department of State. It didn't involve anyone else. It didn't involve USIA, which had been set up at the same time as FOA. It didn't involve us. So, it put everybody in the Foreign Service and sent people to the field who really didn't want to go to the field.

Q: It was really a State Department Foreign Service-Civil Service issue.

SPECTOR: Right. And it took an awful lot of people out of the Civil Service, except for the lower grades. And I think they let a few people stay that were various specialists in one kind or another. I think it was bad for the State Department in some ways, in that you ruined the institutional memory that it had. The State Department, and I think AID- I remember many years later, when I became an Executive Director in State, finding very high level officers personally going through files because there was no way to find out what had transpired before. So that was bad.

But I'd like to talk a little bit more about Stassen. Stassen, of course, took the President's mandate to heart and set up one agency, which he designed himself on the back of a dry-cleaning wrapper. In the old days, they used to put a long piece of paper over the dry cleaning when they brought it home. Well, Stassen one night designed the Foreign Operations Administration on the back of one of those things and gave it to us and said, "This is it." Of course, the idea was that everything be under one Agency, so that you didn't have any more Jordan River problems or Philippine problems. We abolished all of the Point 4 offices in all the agencies around town, because anyone that came to work for FOA would be on the FOA payroll and subject to the policies and directions of FOA.

The creation of the Foreign Operations Administration - 1953

Q: This was the creation of FOA.

SPECTOR: This was the creation of the Foreign Operations Administration. It was called that to distinguish it from the State Department, which would lay down policy. It was kind of ridiculous, because you still have policy in FOA. But the idea was that Dulles would lay down policy and Harold Stassen would operate. And so we had that horrible name of the Foreign Operations Administration, and then we had a name for our Missions which was terrible: United States Operations Mission. Very bad. But that's what we were stuck with.

Stassen was a very funny guy. For example, he was on a trip with Secretary Dulles. It was their first trip to the Mid East. When they got to Greece, the price of bread had just been raised before their arrival and there were riots. Of course, our Mission there had a lot to do with that. The Mission Director, whose name was Leland Barrows, was on home leave. The acting director there was named Alvin Roseman. Stassen thought Roseman was responsible. He wired me and he said, "Recall Roseman."

Q: He was the-

SPECTOR: Acting Mission Director in Greece. So, I recalled Al and that was all: just recall him. Stassen, on his return, said, "I want to see him." Stassen had his office where there is now, I think, the Vice President's office - what used to be General Pershing's office. There was no real waiting room. We had to put couches in the hall of the Old Executive Office Building with reading lamps so people could sit there and possibly read. Al would show up every morning at 8:30 and wait until 5:30 to see the Governor. The Governor wouldn't see him, but he wanted him there anyway. He just kept him there day

after day after day. Finally, about after six or seven days, he called him in, chatted, and sent him back to Greece. It was a cat and mouse. The same thing with our Deputy Mission Director in France. He called him back. He later became our Ambassador to Haiti. Stassen was a strange guy. And yet he was brilliant. He was one of the most brilliant men I think we've ever had to head the Foreign Aid Program. He really understood it. He was wonderful on the Hill. People loved him. As a friend of mine, Carl Albert, the Whip on the Hill, told me when he came to Mexico, "This man's brilliant." I said, "Well, Carl, he may be brilliant, but he's a bad administrator."

Q: Did you have any sense of what he saw as the mission of the FOA?

SPECTOR: As far as the basic mission of FOA, he was for development. Very much for it. And I think he understood it. He was the guy who really pressed the idea of contracting with private institutions. The problem with that was that you'd contract at almost any cost and they didn't do enough evaluation of the contractor beforehand, or the kind of people that the contractor would send to us. But one of the good things that happened- Later, when you would make contracts now with, say, government agencies, you still need the USGS or you still would need various specialists from the government, you made a contract with that agency. That person came onto FOA's rolls. I forget how we did it in those days, but you had a deal with- You knew exactly what that person was supposed to do. They weren't there as independent operators reporting back to USGS. They were reporting to the local Mission Director and to the Ambassador.

Q: With the Personnel matter, were there other personnel or organizational factors that Stassen was interested in that you were involved in?

SPECTOR: No, the only thing that-

Q: You were in the process of cutting staff then?

SPECTOR: We cut a lot of staff using Stassenization. We cut over 200 people, I would say.

Q: Out of how many roughly?

SPECTOR: Eight or nine hundred people. Something like that.

Q: So when you combined the Agency, you cut these?

SPECTOR: And we cut all the Point 4 people. The Point 4 in their own offices were absorbed. They had nothing to do with this. They were absorbed by their own Agency. The Institute of Inter American Affairs was put out of business after all these years. It became the Latin America arm of the Foreign Operations Administration.

Q: Was this a regionally focused organization or a functional? Was it mostly concerned with geographic areas or was it more concerned with-

SPECTOR: Well, it had both. And that was always an uneasy relationship. I though it was mostly geographical. Later, when AID was set up, this was a big problem. This was what the people that set up AID thought ought to be done: the focus should be largely regional. Because the man who'd run the Agency for many years was Dr. Dennis FitzGerald.

Q: That was in the ICA period. Was he in FOA?

SPECTOR: Yes, Fitz was there from the beginning. Fitz came in as a Food and Agricultural Officer under Hoffman. And then he stayed on to become the pivotal man to run the Agency. But, because Fitz had come out of the functional areas, out of Agriculture, he had a very great regard for that. So you can't counter the uneasy balance between the geographic on one side and the functional on the other. Towards the end of FOA, he had two Deputies. One was Herman Kleine and Don McFail. One was the geographic guy and one was the functional guy. That was one reason that, when the Kennedy people came in, they were determined to emphasize geography and also build on research, which I don't think was ever as fully carried out as we had hoped on the research side.

Q: Were you involved in the transition from ICA to FOA?

SPECTOR: No. That time I was in Mexico.

Q: Do you want to talk a little more about your experience with FOA?

SPECTOR: Yes, I would, Haven. I want to talk in kind of generic terms about two things. One is politics in government, and maybe more specifically in the Foreign Aid or Development Assistance Program. The first five years of the Marshall Plan, I could not see anything that we'd normally attribute to what is called politics." It's certainly true that, in the best sense of the word, Truman wanted to set up a non-partisan agency. And so that's why he appointed a Republican to head the Program in the United States and a Democrat to head it over in Europe for the Marshall Plan. It is certainly true that Paul Hoffman, by having his brother in law, Tex Moore, do his executive recruitment, they were recruiting people they knew; and they were just generally normally Republicans. But I never saw, in my time, the first five years of ECA and MSA, down at the operating level - and that meant anything under the Deputy Director of the Agency - anything called "politics." We were importuned many times to make political appointments and I fought them. I went into government idealistically. I read up on the English system, on the Merit System, and believe then, as I do now, always did follow through, I think, without exception, that at the top of the Agency, you certainly should have a political appointee to carry out the wishes of the President and of the Administration. But under that, there should be the Merit System. And I think that's what makes the English system great and our system great and any democracy great.

In the FOA, after Stassenization, Stassen brought in a young friend of his named Betty Crites. Betty was a beautiful young woman. She'd been a Miss something or other. She came from Minnesota. She was beautiful. She was ambitious. She was completely devoted to Harold Stassen. And I don't mean that in any lascivious way. I don't mean that at all. I think she's one of these young, idealistic women that looked up to the Governor and he was everything that she wanted to see happen in politics and in the government. He put her right outside my office door. I was the Acting Director of Personnel. She had a desk right outside my door and she ordered, under his direction, that every Personnel action had to go over her desk and she vetted it. She was always coming in to me, saying, "Now why are we promoting this person? Why, I have a person here, Joe Blow from Duluth, Minnesota, that could perfectly fill that job." And I'd say, "Betty, I'm glad to consider it. Let's put it in the pile and if this is the best qualified person we have..." "No, no, no. We need to hire him. The Governor wants him hired," and on and on and on. And I went to the Civil Service Commission. I went to the Executive Director. This was all oral. I didn't have anything written, but I went to him. His name was John Macy. He's now dead. John later became Chairman of the Civil Service Commission, a big shot in public administration. But he really weaseled right out of it. He said, "Mel, I can't touch it." And she was breaking laws. She was breaking the Pendleton Act and the Veterans Preference Act and everything else. That really soured me on Governor Stassen and on the whole situation. Much later, when the Democrats came back, Ralph Dungan tried to track down Betty Crites and get her fired out of the government, but she had buried herself in a Civil Service job by then. The very Civil Service that she had tried to circumvent, she then used it for her own benefit to get buried securely into the government.

Q: Were you stuck with having to hire some of these people?

SPECTOR: Yes, yes. And I didn't want to do it, but I fought it wherever I could. I think, generally, she and I had a pretty good personal relationship. I said, "Betty, you've got to see it from my standpoint." I don't remember too much of it, but every now and then there was someone stuck in there that shouldn't have been in there. But, after all, the head of the agency has the authority and he delegates it to you. So, if he wants to use that authority- Now what I probably should have done was say, "I'll send these up to the Governor and let him sign them," but I wasn't that smart, I suppose.

Q: They didn't have these things called "Schedule Cs?"

SPECTOR: We had Schedule Cs, which could have been used, but these were overseas positions for FOA. And, as you know, Haven, there is no protection, or there wasn't then. You could hire anyone to go into the Foreign Service. Anybody. There was no criteria. Joe Toner did a beautiful job much later in getting the Directors and the Deputies of Missions taken off the Plum Book, but they really are open to anybody's wanting to appoint to them. I bet they still are. I don't know what's been done since my time.

Q: That's probably true.

SPECTOR: The other thing is this kow-towing to this idea that businessmen know best. Stassen brought in forty to 45 businessmen to fan out all over the world, to look at out Missions and to, inside of a week, decide what had to be done to improve them and so on. These were men like the President of Gillette Corporation, the Chairman of the First National Bank of Boston. Very high-level people. These were all kind of high-level payoffs, you know. Stassen's aide wanted them hired as consultants. So I said, "Fine, but we have to give them all a security clearance." And he said, "What? You're questioning that these businesspeople need a security clearance?" I said, "I don't care what they've ever done, but I'm saying that the law says that, unless the Administrator will issue a waiver, we need a security clearance." He and Stassen signed it right off. We brought all these men to town and the first night they were in town, a lot of them were staying at the Hay Adams, right across from the White House. I got a call from the Deputy Chief of Security, Charlie Keating. He was laughing. He said, "I've just been down to the police station to get one of your new men out of jail." One of them had gone right over to Lafayette Park and had accosted a young man in the urinal there, who was an undercover policeman. He was put in for soliciting. So, after that, Stassen never signed a waiver on security. But this idea that businessmen know best will come up later when we talk about AID.

Stassen saw later that I was acceptable to the White House. In fact, I was being processed by the White House for a Personnel job, but we were shot out of the water, as I told you, by Wristonization. But I didn't want to go back to Personnel and deal with all that political stuff and deal with Betty Crites and prostitute my job. And I wanted to go overseas. Stassen said, "You can go anywhere you want to. You can be a Deputy Mission Director anywhere." I said, "Paris?" He said, "Sure." I said, "But Lane Timmons is there!" He said, "We'll just get rid of him." I said, "London?" He said, "Yeah, anywhere." But my father was ill and I wanted to be close to him and I found out that the Assistant Director job in Mexico City was open. So, I said that I would take that. He said, "Well, just take it." I said, "No, the Mission Director's got to approve me," so I wrote to the Mission Director, who disapproved me. He didn't want me. The job really called for an economist and, although I had a minor in economics in college, I was no economist. I was pretty blue at that point because I didn't know what I wanted to do. But he came to Washington and he called me for lunch, the Mission Director, Dinty Moore. He was an old Department of Agriculture man and one of the best technical assistance men I've ever known. We had lunch and he changed his mind. So, I got to go to Mexico as the Assistant Director. There was no Deputy. I was really the Program Officer, but they gave it the nice title of Assistant Director. But the man who'd been in that job had been Stassenated and my name appeared at the bottom of the Personnel Action. So, people in Mexico thought that I had gotten rid of this man to take that job. So, you could imagine the kind of welcome I had in Mexico. I had nothing to do with it. My predecessor was Stassenated because he'd been a friend of a man named William Remington in the Department of Commerce, one of the famous McCarthy cases. The man was perfectly fine, a first rate person. But I had to overcome that, believe me.

The program in Mexico was an interesting one. We had old and new. We had programs in health, agriculture, industry, education, rubber, geological survey and fisheries. Some

of these were holdovers from the early days of World War II: the rubber program, and fisheries, too, because before the War broke out, most of the fishing from Mexico was done by the Japanese. They had left and the Mexicans didn't have their own commercial-style fisheries. The Bureau of Fish and Wildlife had sent a man down there to help them with their fisheries. He was still there. He'd been there seven or eight years by the time I got there.

Assignment to the FOA mission in Mexico - 1954-59

Q: When did you get there?

SPECTOR: I got there about March of 1954. We drove from Washington all the way to Mexico City.

Q: How big a program? What dollar value roughly?

SPECTOR: I'd say it was about $1.7 million. We had some PL 480 much later, but it was all technical assistance. It sets the tone for what happened in Mexico. This should go into some kind of a Mexico archives. In the early days of the Eisenhower Administration, the idea was that there would be no loans to Latin America. Period. Where this came from I don't know. But this was under Secretary Humphrey of Treasury, Assistant Secretary Holland in Inter American Affairs, and Deputy Secretary of State Herbert Hoover, Jr. It was called the "3H Program." What had happened was the Mexicans wanted to eliminate malaria in Mexico. Now, this was a pretty good idea in our own U.S. interests, to eliminate malaria because the malaria mosquito doesn't know that there's a border there. It can go right over that border. The Mexicans had worked out this elaborate program of getting money from WHO, FOA and they wanted a loan from the United States. The top man in Mexico, the Minister of Finance, came up to Washington to try to negotiate a four million dollar loan. Of course, he was laughed at, but he still went to see Stassen. Stassen was a very bright guy, no matter what else you can say about him, and he said, "Well, can you use local currency?" because Stassen had it coming out of his ears. So, the man said, "What do you have?" And he said, "Well, I've got Danish kroner, Italian lira, and Japanese yen." In those days, those were all soft currencies. Well, this man said, "Fine." And Stassen said, "But you'll have to repay it in dollars." Here we were going to get rid of our local currency, which we just didn't know what to do with, get it repaid in dollars, eliminate malaria in Mexico, which was a threat to the United States, and the Mexicans accepted it. They wanted it in lira for some reason. They took the lira. Stassen was overruled by the State Department and Treasury. So, the Mexicans, you know, said "What the Hell's going on here?"

Q: Why were they overruled?

SPECTOR: Because of no loans to Mexico.

Q: Even in local currency?

SPECTOR: Even in local currency. That's how stupid it was, Haven. You can imagine the kind of atmosphere when I went to Mexico. More than that, we had an Ambassador named Francis White. Francis White had been a career Foreign Service Officer. He'd been trained in the Diplomatic School in Madrid in the early 20s, became a career Foreign Service Officer. At the time that Franklin D. Roosevelt became President, he was the equivalent to the Assistant Secretary of State for Inter American Affairs, but then it was an Office Director - the Office of American Republic Affairs, ARA, an out-of-date acronym which we've never gotten rid of. He resigned his commission because he so disagreed with the Good Neighbor Policy. And he became the head of something called the Foreign Bond Holders Association. These were all the people that held bonds in all of the expropriated properties like oil wells and railroads in Mexico, and railroads in Brazil. His lawyer, the man that worked for him, was John Foster Dulles. I think you get the picture now.

In the interim years, the Ambassador - as a civilian, of course - had been the head of the Republican Finance Committee many times. So, he was a staunch Republican and he reported to President Eisenhower - not to Vice President Nixon, not to the Secretary of State Dulles. He reported to Eisenhower. When he came to Washington on visits, he would go in to see the President and then he'd tell Dulles and the Office Director for Mexico what he and the President had decided. He hated the Mexicans. He looked down on them. This was just a very bad man. He did not believe in foreign assistance. He did not believe in USIA. He just tolerated them because he had to.

One of the programs we had was with the United States Geological Survey. Now, they'd been there for many years. The USGS had worked very well with the Mexicans. The Mexicans wanted a Mexican Geological Survey. The USGS party head was first rate. He'd worked out this very good program where they'd send men up to the United States to be trained in college and then go on and work in the USGS offices. We were creating an institution: the Mexican Geological Survey. Now, this was a big program and there was a lot of strategic interest in it back here in the United States because we wanted to know ourselves what was in Mexico, what kind of mineral resources, oil resources, and so on. We would have been way ahead of the curve on their oil discovery if this had gone through. My particular job was to negotiate that note. As you know, you sit down and you do drafts to check with Washington. You go back and forth. Then I sent the note up to Washington, where it was being cleared by State, FOA and the Department of the Interior. And, of course, it was being cleared by the Mexican government. Finally, the two governments were completely agreed. And this was agreed to at the highest levels of Washington because of all these strategic interests. In case of war, we had strategic materials that we could get either directly up through by land route or across the Caribbean, the Gulf of Texas very easily from Yucatan to New Orleans. I got the final draft, and showed it to my Mexican counterpart, who was the Number two man in the Foreign Office. He put it in final form. I put mine in final form. I gave it to the DCM. I couldn't deal with the Ambassador. He wouldn't deal with me because I was FOA. I'd never been to his house and he wouldn't deal with me, because I was AID. Week after week went on and the note never came back from the Ambassador. It was getting very embarrassing with the Mexican Foreign Office. Finally, one day, the DCM called me up

to his office and handed me the note. It hadn't been signed. I said, "Bill, what's wrong?" He said, "The Ambassador won't sign it." I said, "But this has been approved by the very highest levels." I knew it had to be. And he said, "It doesn't matter to him. Mel, he doesn't believe in the USGS at home, so he feels 'Why should we be sponsoring one abroad?'" Well, that was the atmosphere in which we worked.

Q: What happened to that?

SPECTOR: It just dropped. It was killed and that was it. And this was in the U.S. interest. We had a "Health Servicio" and I want to talk a minute about servicios. A servicio was a concept that was, I think, invented mostly by the Institute of Inter American Affairs and we used them throughout Latin America. They were a joint institution between the U.S. and the host government. They were jointly run. They were jointly financed with money from the local government and money from the U.S. But when the money went into that Servicio, it no longer became U.S. funds, so it was not subject to audit by the U.S. Government.

Q: They weren't host government funds either, were they?

SPECTOR: No. We did encourage the host government to audit. I'd like to quote from a very good book here, by Phil Glick, who was the General Counsel of TCA, one of the best men they ever had. He says, "The creators of the servicio believed that they could effectively teach and demonstrate only by working with their hosts daily, over a long period of time, in the same organization on tasks they could share." That was the whole idea.

Q: What book is this?

SPECTOR: This is a wonderful book. It's called *The Administration of Technical Assistance: Growth in the Americas* by Phillip Glick, which, if I am assured that there is going to be a permanent library at the Association of Diplomatic Studies, I'll be glad to turnover to them, but only when I'm assured there's going to be a place for it. It's a wonderful book. It's about the whole history of technical assistance, from the beginning up through Stassen. The servicio could be overdone. The servicio was a wonderful institution in a country that had weak institutions, or where you wanted to try something new and you had bloated bureaucracies that you couldn't deal with. When I got to Mexico, we had a health servicio with about 12 American technicians. It was being run by the American who was a United States Public Health Officer. We, the Mission Director and I, felt strongly that servicios should be turned over more and more to the local governments. It took a lot of arm twisting to get it first jointly run by the Mexicans and the U.S. and then finally run by the Mexican, who was a very able man. I felt that, in certain situations, servicios were an excellent way to help a country to create an institution, or by example, show what could be done with modern administration and technology. One of our great servicio men in Lima - I forget his name - he felt that a servicio was like a hothouse. You would put a plant in it and get it up to a certain point so that it was strong enough to grow on its own and then you took it out and put it out in its

natural environment. Another simile: it is like a train. You put a servicio on the train, and then you take them off. But I like the greenhouse thing better.

They had problems. One of the problems was that we tried to pay higher salaries. So, we'd have people in servicios maybe getting a higher salary than their counterparts in other parts of the same Ministry. This was a problem, but we said, "Again, this shows you what it really ought to be." When AID was set up and the Alliance for Progress came into being, the servicios were abolished. This was largely due to one guy: Rueben Sternfeld, a first rate man, one of my closest friends. He and I have disagreed on it ever since. He was very close to Ted Moscoso.

Q: Why did he want to terminate them?

SPECTOR: Because he believed they were wrong, that the U.S. Government had no control. He'd come from the Bureau of the Budget: you ought to be able to control this, audit it, and see that all that U.S. money is used correctly right to the last penny.

Q: Didn't we have pretty much the primary say in how the money was spent?

SPECTOR: Yes, sure we did. But it couldn't be audited by the Controller in Washington or by anyone else. By the way, Sternfeld really ought to be interviewed. I'm going to come to him later. He played a key role in setting up AID. He's a first rate man. He and I happened to disagree on this, but I have the highest regard for Ray. To this day, I'd say right now, that we ought to have servicios in Haiti. That's a perfect candidate for servicios. So is Africa.

Q: So, really, it's a situation where there is a very weak government agency or bureaucracy that can't do the job?

SPECTOR: Right.

Q: Do you see that as a temporary phenomenon?

SPECTOR: Yes, the thing ought to be temporary.

Q: How did it then become folded into the government structure?

SPECTOR: They would take it over. I remember that the servicio in Mexico just became a regular part of the Ministry of Health. And it wasn't experimental. They did different things there. But the servicio was finally abolished by the Ambassador because he got into a quid pro quo with the Mexican government. I forget all the things he wanted. And he refused to sign the agreement. Another version of the servicio is a trust fund, which is like a servicio in that the money again became not U.S. funds once it went in there, buy it would go to the Administrator. We set up a joint trust fund to run the Productivity Center, which we had set up in Mexico to help the Mexicans improve their industrial and commercial productivity. We had two men working with him. In this case, the

organization was headed by a Mexican from the very beginning. We had a Board of Directors that we worked with, about the equivalent of the Mexican Association of Manufacturers. The American did not run it. He was an advisor. And he had an assistant. They were both advisors. The only control we had was in the general program agreement that we began with, the contract. Contracts are very important, written contracts. And signing of the checks. Either I or the man there would sign the checks. So, that one worked very well. I think the product of these centers is still going on. It had a lot to do with Mexico's growth.

Q: Were there other joint servicios in Mexico?

SPECTOR: No, just that one at that point. There may have been some before I got there. There were lots of them around Latin America, of course.

Q: What was the program in health? What were they trying to do through the servicio?

SPECTOR: They worked on potable water. They worked on all kinds of things. I can't remember all the details. One of the big programs they had, which was the best, was on vocational rehabilitation, which is a beautiful example of technical assistance. The man that ran it was David Amato, who himself was handicapped. Using the servicio as his base, they first set up within the Mexican Ministry a Bureau or Office of Vocational Rehabilitation. But David did not stop there. He went out and got them to help set up the equivalent of the Goodwill Industries. He went on into the private sector. He got them to help set up courses in vocational rehabilitation in universities and technical schools. He got them to set up a professional association. He was really making technical assistance take when you go through the entire society and all the parts of it that can make some kind of thing like that take. Dave was wonderful.

The Productivity Center - I want to give you an example of the kind of thing it did. The Mexican government wanted to protect its own commerce and industries. The big department stores in Mexico were apprehensive of things like Sears, which was already there, and having other companies come in that could compete with local stores. They wanted to make it very difficult for more companies to come in to Mexico. Our Productivity Center people said to them, "No, don't do that. Teach your own companies to compete." So, we brought down people to help them learn how to set up their own modern department stores with credit systems. The Productivity Center made a contract with the American Management Association. They used people who were at the very top of the heap. They got a man down there named Armand Erpf, from a Wall Street banking firm, on the banking side, the whole financial side. They brought down Peter Drucker, the famous management expert. They brought down other people. This was the way, I think, you helped Mexico and you helped American business, too.

Q: You found the Productivity Center to be very successful?

SPECTOR: Oh, yes.

Q: And does it still exist as far as you know?

SPECTOR: As far as I know, it is still there. We had a couple of other- We had university contracts. These were pretty new in those days. Stassen loved university contracts. He had been President of the University of Pennsylvania before he came to Washington. We were going to do things with university contracts. We had a university contract with the University of Michigan to help set up a training center for the operators of heavy road building equipment. We had sent the man who was going to head the university up to the States for a year or two of training. But the problem we had in those days with the university contracts, Haven, was that we had no say about who was coming down. They'd say, "We'll take care of it in Washington." And they'd just go to the University of Michigan and say, "Give us a man to go down there and help the center." What they did at the University was they didn't use one of their own people. They'd go out and hire some guy out of the Detroit school system who was teaching shop. That's exactly whom they sent. A man to help build an institution who knew nothing about institution building! He knew how to train kids to repair an engine or turn a lathe, but not how to train trainers. The first man they sent down was a Mormon and he tried to proselytize everybody. We said, "Look, you're in a Catholic country. Whether there's official religion or not, you don't proselytize." He tried to do it and we got him out within 48 hours. They sent down another man, who was also a Mormon and didn't try to proselytize. However, he also was not up to the job. We had sent a Mexican to the States - I think he had gone to Yale - to be trained. He came back to Mexico, and he was late to one of the classes our man was conducting. The Mexican was late, 10 minutes late. So, our man made him go up to the blackboard and write "I'm sorry I was late" 100 times. We got him out in eight hours, too. We had terrible trouble with our contracts, on the quality of people that they would send down. We had a contract with Columbia Teacher's College. They were sending us all their retirees; none of their young people. This comes up later if we want to discuss it, about what they did in England with the Ministry of Development.

Our programs were harassed and fought by Communists, and I say that openly: C-o-m-m-u-n-i-s-t-s. We had a contract between Texas A&M and Saltillo College of Agriculture in Saltillo, Mexico, a beautiful contract worked out by my boss, Dinty Moore. This was to be to build an agricultural school in Saltillo. The usual thing that you know all about: the exchange of professors, the exchange of students. Really build an institution with everything. That means people and so on. Well, there was a student strike. They didn't want this Americanization of their university. The CIA people, whom I was very close to in Mexico, showed us: they had dossiers on some of these so-called students who were in their thirties. Some of them had been trained in Czechoslovakia and other Eastern European countries. We had this Columbia Teacher's College contract with the Instituto Tecnologico, which was a technological institute. And there was another strike and big banners: "Do not Columbiaize the Institute." And they went on strike for several weeks. Even went into the Rector's office, knocked him down, took down his pants, painted his scrotum blue. Again, we had pictures of these people that were Communist provocateurs. Our people left in the dead of night. They got in their cars and went home. So, they killed the program in Saltillo. They killed the program with the Instituto.

When we had programs with strong Mexican leaders, we were OK. We had a training program for the operators and maintainers of heavy road building equipment with one of

the biggest men in Mexico. His name was Romulo O'Farrell. Wonderful man. He was the head of the Inter American Highway Commission for many years. Well, he had a lot of clout with the government, so they couldn't touch us. Even when the Ambassador tried to kill that program, he was able to keep it going because of the clout O'Farrell had with the Mexican government. But we finally got rid of the Ambassador - well, not we, but Richard Nixon did. Richard Nixon came down as Vice President to visit Mexico. Conditions were so bad between Mexico and the U.S. that U.S. businessmen got to Nixon and said, "You've got to get him out" and Nixon got him out.

Q: What was the foreign policy interest in having a program in Mexico?

SPECTOR: I think the foreign policy interests in having one in Mexico is the interest we have today. It's probably the country most important to us in the world, with a 2,000 mile border. To put it crudely - to "keep them down on the farm." A developing Mexico is a good neighbor. Even then, we had the problem of "wetback," immigration, illegal immigration. So, to have a prosperous, growing, developing Mexico was in our interest then in our small way. We should have kept it going. I think we had and have a lot of interest there.

I want to discuss one other thing about Mexico. We set up there something called a Regional Technical Aid Center, RTAC. What we did was we had a center for preparing technical material in Spanish: textbooks, technical manuals, training films, radio because that's all we had in those days. The reason it was set up in Mexico was they speak the second best Spanish in all of Latin America, in Mexico City. The best is spoken in Bogota, Colombia, according to the people that know. I'm not one of them, but this had been studied by Washington. It was a Washington idea, but it was located in Mexico. It was a wonderful idea. I think it's something where AID has not done enough over the years.

I was down about eight or nine years ago in a project in Costa Rica, where we were trying to build a Personnel Office in a agricultural research and training center there. Before I went down, I tried to find some books in Spanish - textbooks for human resources management or personnel management. There were two, only two I could find. One was from Madrid, the other was Italian translated into Spanish. There is a great need in Latin America for textbooks that are in Spanish, technical materials in Spanish. We can say today, "Yes, they ought to be learning English," but they don't. When I was dealing with these people in this training center, very few of them spoke English or read English. RTAC was kept going for many years. I think we had one in Northern Africa somewhere also. Much, much, much later, Haven, when I was-

Q: I think it actually ended up in Beirut.

SPECTOR: Much later, when I was in Paris doing a consulting job with the Embassy in 1981, I was dealing with USIA then. They had a program, as you must know better than I, of preparing Francophone material to go out to all of the Francophone countries: inserts in weekly magazines, subsidizing American books. The request from all over Africa was

"Don't give us translations of Hemingway and Fitzgerald. Give us translations of textbooks." I would bet it is still needed.

Q: I'm sure. It is.

SPECTOR: Another thing about Mexico. We had a cultural anthropologist on our staff. This is a leftover from what I told you about earlier, probably from the days of the Smithsonian. She was a wonderful woman named Isabel Kelly. I believe that, in certain countries at a certain stage of development, every AID Mission should have a cultural anthropologist to deal with the culture, to be sensitive to and deal with the culture. She worked with the health people, especially on such things as training. One of the programs of the servicio was training young Mexican public health officials. Many of these officials we had sent to the States to be trained at Harvard Public Health School. But these were young men and women who'd come from the big cities: from Monterrey or from Guadalajara or from Mexico City and they were going to go out to the villages. Well, they didn't know any more how to deal with those villagers, how to get them to accept new technical terms or new ideas than the man on the moon. But Isabel would train them on how to use- For instance, they would try to bring in potable water. So they would put in a spigot that was an ordinary spigot like you have on the side of a house. Well, that little spigot has no way to hand a bucket. And Isabel had to say, "Look, these people have been getting their water out of wells with a big spigot where they could hang their bucket. Learn what they do. Put in a spigot on which they can hang their bucket. Then they can use potable water." I was very impressed with Isabel. I was also very lucky when I was there.

I told you, when I was in Paris I tried to begin some psychotherapy. I also continued in Washington taking courses at the Washington School of Psychiatry in both psychiatry and in cultural anthropology. But when I got to Mexico I understood that Erich Fromm was there, the very famous psychoanalyst writer. I said, "This is great. Here I'm in Mexico." Through a friend of mine who knew Eric, I approached him and he said, no, he didn't take lay people. He was only training doctors from the University of Mexico Medical School. Fromm himself was not a physician. But he gave me a reading program and for many years I read under Eric. He gave me Freud, his own books, books by Karen Horney. About once every six months, I'd go down to Cuernavaca, which was about 45 miles from Mexico City and as close to Heaven on earth as you can get. I don't know if you've ever been there, but it's just-

Q: Yes, I've been there.

SPECTOR: Eternal spring. And he had this gorgeous house that overlooked the valley and the two volcanoes. I read under Eric and it was very, very good- At least, I learned an awful lot.

Q: What did you do with that learning? Were you trying to use it in your-

SPECTOR: Yes, it was a side interest. It was helping me be more at peace with myself, feeling that I had some insight into how you deal with other people. Also, it was good for me personally. I tried to use it, I guess, intuitively. I always backed sensitivity training because I felt that that was an offshoot of that. I learned in Mexico that- this was '54 to '59, Haven, that the most important thing was the creation of human resources. That was before Ted Schultz had gotten his Nobel or whatever at the University of Chicago. Building institutions, strengthening institutions, and building human resources. And Mexico had a lot of that. Mexico had been sending their young men and women up here and to London for years to be trained. There was a man in the Bureau of the Budget named Mickey Rosen. That's all he did was take care of young people that came in and spent a year at the Bureau. This was, I think, a Donald Stone idea. I'm pretty sure it was Don's idea. These were the people who would then come back to Mexico and fan out into the government. They'd become Sub Ministers and Ministers around town.

I should mention that we had a program with the Bank of Mexico. The Bank of Mexico is an extremely important institution. Every country should have something like it. It not only was the equivalent of the Federal Reserve Bank, but it was a training institution. Also, it was a research institution and we had a joint program with them. And we had a research establishment. We had a contract with the Armor Institute out of Chicago and the Stanford Research Institute to give them help. They were developing, as an example, chick peas, garbanzos. They were used as a good crop for Mexico to export because the Spanish love garbanzos - in Spain and other parts of Latin America. And what could you do with garbanzos? They were making pancakes out of garbanzo flour and they even found that the basic molecule of the garbanzo was one of the best molecules to be used in plastics.

In addition to this research program with the Bank of Mexico, we had a monetary studies program set up by Peter Cody. The Bank of Mexico set up the Center for Latin American Monetary Studies. We brought down people like Triffin from Yale and other people who worked with him and gave them a certain amount of money, but not an awful lot. We helped bring people there from all over Latin America to be trained in central banking, like the Federal Reserve. Our own central Federal Reserve never participated for some reason or other. But the Federal Reserve Bank of New York always sent someone down once a year for a whole year to work with them.

Another program that I can't take all the credit for - my training officer should, but I certainly backed him - was to use Mexico for third country training. You could use Mexican institutions and save money because in the United States it cost a lot more for a participant than to send him to Mexico. We would not only use things like the Center at the Bank, but we would use the Monterrey Institute of Technology in Monterrey and so on. There I had a wonderful relationship because I got to know the Rector who later became the Federal Minister of Education. We'd have lunch every week.

What I learned in Mexico I've never lost: you've got to have a great respect for the people that you work with, their country, their mores and so on. To quote Hippocrates, "Try to help and, in all events, do no harm." After five years-

Q: You were in Mexico for five years?

SPECTOR: Five years.

Q: How big a staff was there?

SPECTOR: I think, by the time I left, we had about no more than 15 or 16 Americans and maybe twice that in locals. I became a Deputy Director down there after about a year. My good relations with Mrs. Shipley helped me: I got my diplomatic passport in a week. You were entitled to a diplomatic passport if you were Deputy Director. After Dinty Moore left, they sent in another excellent ex-institute man named Vance Rodgers, a wonderful man. One of the best I've ever know. Then he left. I then became Acting Director for about a year. The idea was to phase Mexico out. You know, this country was already developed. What did you need foreign assistance for?

I feel that we've made a big mistake in that, when we cut off programs with a country, we cut off everything. AID builds up wonderful relations with a country on the technical level, on the technological level, on the institutional level, with government, private, and academic. And then you cut them off. And you've lost a wonderful resource of relationships. I think we should never cut them off completely. In fact, at one time, Haven, back about 1975 or '76, a friend of mine was Assistant Secretary of State for Scientific Affairs. I recommended to him that what we should have abroad are science and technology attachés instead of just science attachés. The technology attaché would pick up from AID those technological relationships. At the very end, I guess you want to ask me about my feelings about development. I think development's a two way street.

Q: Did they terminate here, when you were there?

SPECTOR: No, they were going to. They kept saying that's why- Dennis FitzGerald told me that he could make me the Director. But later, when the Alliance for Progress came in, we expanded the program. We were trying to taper it off. The word from Washington was "Cut it down, cut it out." Mike Mansfield, whom I got to know in Mexico, kept pushing for cutting out Missions.

Q: Why was he of that view?

SPECTOR: I don't know. Mansfield just always had the idea that aid should be temporary. Although he and I became pretty good friends- I should say that I finally got to get into the Ambassador's house because Mansfield used to come to Mexico for visits. He just loved Mexico. And he spoke Spanish. They assigned me to him because they thought I was the only Democrat on the staff. I never said I was a Democrat, but they always thought I was. So they assigned me to him and I got to know him. Later, this helped us get AID and the Foreign Service some very good legislation just because I knew him. Like anyone would. I'm not saying Mel Spector - anyone that knows a man like that could have done what I did. After five years, I was offered the job-

Q: Before we go on, was there anything more that you thought about the impact of our assistance at that time? What kind of changes you think have been sustained? You talked about the Productivity Center.

SPECTOR: I think that must have been, of the program we had, Haven, probably the most important contribution we made. You're dealing with a very large country. It was then 37, 38 million people. Now it's almost three times that or more, 92 million. I think one of the good things we did, just generally, was our third country training program. I think the Vocational Rehabilitation Program was an excellent one and could have been a model for many other things that they could do in Mexico. This man I mentioned, Romulo O'Farrell, had been in a terrible automobile accident and they had to amputate his leg. He was so important to the U.S. that the Navy sent down a plane to pick him up, took him to San Diego, amputated his leg, then took him to Oakland, where they fitted him with an artificial limb. He came in to see me and he said, "You know, Mr. Spector, I never realized the problem of the disabled, but now I do. I want to do something." Well, David Amato, this wonderful man I told you about, who was our Vocational Rehabilitation advisor. Finally, he'd done everything you could do to get vocational rehabilitation going in Mexico, so we were terminating it. He was about to leave and I introduced him to Don Romulo, and it was like putting the two parts of the atomic bomb together. It was a magnificent explosion. They went off and they really did a marvelous job in the private sector of helping the disabled. They got an old monastery and equipped it. This was everything: people that were blind, people that were deaf, people that needed new limbs. They taught them skills. They set up making car radios - because Romulo assembled Volkswagens and later he assembled Jeeps. So the radios for all those cars were made by the disabled people that helped support this venture. So you didn't need any government funds, except the payment of Dave Amato. So, we made some impact.

Q: Were there any in agriculture?

SPECTOR: No.

Q: Anything in rural areas at all?

SPECTOR: No. The only thing we did for rural areas was our helping on the road building equipment. Of course, Mexico has marvelous roads. As you know better than I, roads are so important to the development-

Q: You were providing technical assistance in road construction, too?

SPECTOR: No.

Q: Just equipment?

SPECTOR: Just the training of operators and mechanics. Not the equipment. The USGS program would have been of marvelous assistance to Mexico, as eliminating malaria

would have been- Well, we did help in malaria later. We obtained a specialist for the health servicio who was one of the best men in the world on mosquitoes and we lent him to the malaria elimination project.

We had one PL 480 program that was interesting. An American railroad had been planned many years before in the early 1900s to go from Kansas City down through Texas and across the Northwestern part of Mexico to the Pacific. It was called the Kansas City-Pacific Railroad. During the 1917 revolution the Mexican government expropriated it. It had only been surveyed before and since 1917 nothing had been done to complete it. So, about my last year in Mexico, the Mexicans wanted to finish that railroad (which is now finished; they say it's one of the great sights of the world, the wonderful canyons and so on), and they'd gotten a loan from the World Bank to help do it. They also wanted to use the local currency from a PL 480 loan to complement the World Bank loan. It was a fairly good-sized loan. It was up there - 15 or 16 million dollars. But, as you know, I had to get the concurrence of the Agricultural Attaché. He was a staunch Republican who believed that, "God dammit, these Mexicans took our railroad away from us and we're not going to help them build it." He was a good friend of mine, and I liked him very much, but I couldn't change his mind. So, finally, I sat down with some people out of the Mexican Office of the Presidency and they said, "Well, it's no problem. What would you like to use your PL 480 money for?" So, I went to my friend and I said, "What would you like to use it for?" He said, "Well, grain storage." So we used the money for grain storage and they used the money they were going to use for grain storage to help build their railroad. So, the whole thing worked out.

In 1959 we'd just about exhausted Mexico. I mean, exhausted our own stay there. I was at the point either I was going to spend the rest of my life in Mexico or get out because I really loved the country, loved the people and still do.

Q: You spoke Spanish as well?

Assignment to ICA's Office of Mexico, Central America and Caribbean Affairs and the ICA organization - 1959-61

SPECTOR: I spoke Spanish but not as well as I should have. I've never been good with languages. But I was offered a wonderful job - to be the Office Director for Mexico, Central America and Caribbean Affairs in ICA. We came back by boat. We went down to Veracruz and took a boat, a Spanish boat, which was half cattle and stuff and half people. On the way, we stopped in Cuba. We spent a day in Cuba. The U.S. still had diplomatic relations with Castro. See, this is early '59. My wife's cousin had been the head of the FBI there, but he had left. We still had an Embassy there. The Acting Head of the FBI took us around for one day and we saw the first vestiges of Castro's taking over of Cuba. We came back to the States-

Q: What were some of those?

SPECTOR: You saw the big casinos close down and a big tractor on the lawn or a washing machine or something like that. That's about all you saw in the beginning, all we could see in a short day. But it was interesting because Cuba was a part of my problem when I got back to Washington. As I say, my area was Central America, Mexico and the Caribbean and we still had a program in Cuba. Our Mission Director had left. He was closely identified with the Batista government. His name was Johnny Johnston, who later became my nemesis. We had a couple of programs with Cuba. Again - fisheries - the way it had been in Mexico. Amazingly enough, Batista never built up any kind of a fishery organization within the government. The Cuban Government sent us a woman who was to be in charge of fisheries. We got her with the Bureau of Fisheries. We were going to try to work out a program with the Bureau of Fish and Wildlife and the Cuban government to help the Cubans form their own bureau. We helped them with agricultural reform. We got them some people from the University of California at Davis to go there. But in about six months, the program was killed and we cut off relations with Cuba. We had information given to us by the CIA that Castro was a Marxist, a full blown Stalin Communist. See, in those early days, we weren't sure, but we had information from them that they were and that certainly turned out to be true. I had nothing to say on that because I wasn't directly involved.

This job- As you know, Haven, in those days, you had the Development Loan Fund as a separate agency. So most of what we did was technical assistance. I enjoyed the job very, very much. I now look back at it as one of the high points in my career - something that I really enjoyed. For one thing, ICA was settling down to really understand what development was all about and had some very good top people. You had it run ostensibly by a Foreign Service Officer named James Riddleberger. He had a Deputy named Leonard Saccio, who, amazingly enough, had been a corporation lawyer, but really learned development. He was first-rate. You had Jim Grant as the head of Program Planning. He had a marvelous staff - Warren Wiggins, Jack Vaughn and Bill Ellis. You had really the pivotal guy running the Agency underneath all that: Dennis FitzGerald, Mr. ICA. He had two Deputies. One was Herman Kleine, first-rate. Another guy named Don McPhail, first-rate. I don't know about all the other Bureaus, but in our own Bureau we had a Foreign Service Officer heading it up: Rollin Atwood, who understood Latin America, spoke Spanish, liked Latin America. He had a Deputy, who had come from private industry, from the Rockefeller people in Latin America, named John Heilman. He was a driver, a go-getter, a great guy, I thought. And also, by that time, there was a whole turnaround of feeling in the Eisenhower Administration about Latin America. Milton Eisenhower had been down to Latin America, Nixon who, you remember, had been spit on in Venezuela. Nixon was a very good force in turning us around; as was Milton Eisenhower. ICA also had a very good relationship with the State Department. An excellent person supervising all of this, ICA, DLF, TCA and military assistance - was Douglas Dillon. His deputy was a first-rate Foreign Service Officer, John Bell. And also on the staff were Graham Martin, Edwin M. Martin, Ray Sternfeld, Jim Fowler and others. I felt that last year of ICA was one of the best periods that I've ever known, where we seemed to know what we were doing and getting full backing from the top.

One of the two main things I had going in Central America was Central American Regional Integration. Our idea was, of course, to integrate Guatemala, Nicaragua, El Salvador, Costa Rica, Honduras, and Panama (Panama was sometimes in and sometimes out on that; they don't consider themselves Central American.) You had economic integration happening in Europe. We were going to do the same thing in Central America. The biggest role I played was in helping set up the Central American Bank for Economic Integration. I remember going down to see Fitz (Dr. Dennis FitzGerald). We only asked for several million dollars. The Inter-American Development Bank was already set up, so they did not want this Central American Bank. Development Loan Fund did not want it either. They were going to make loans directly. So, I went to see Fitz. I was going to ask for $3 million, but I said, "Why not five?" I could have asked for ten. I got five. So, I went to this meeting, chaired by Thomas Mann, who was then Assistant Secretary for Economic Affairs. You had the Executive Director of Inter American Development Bank. You had George Springsteen representing the Development Loan Fund. And myself representing ICA, with the full backing of Len Saccio, who was then the Acting Director of the Agency. They were all against it, except Tom Mann and myself. So, Tom Mann said, "Okay. You're against it from DLF? You're against it from Inter American Development Bank? Now I'll go back and I'll tell Douglas Dillon-" And they said, "No, no, no. Just a minute." So, we got this Central American Bank for Economic Integration. It's still there. I don't know how much it's doing. It's still there, thank God.

Q: It's the CABEI?

SPECTOR: Yes. The other thing we worked on-

Q: What was it supposed to do mainly?

SPECTOR: To finance various kinds of projects that could be used throughout the whole region that you didn't want to duplicate in every little country, the same kind of thing. Hopefully, this bank would have things going that would finance things that would be good for the whole region.

Q: And you provided five million dollars?

SPECTOR: Five million dollars. I don't remember what the other part was.

Q: Are there any other projects that you remember anything about?

SPECTOR: No, I don't, because this was done pretty much towards the end. The other thing that was a big deal with us was West Indies Federation. This I still think is needed. This was a big idea of State, ICA, and the British government. The idea would be that you'd have Jamaica at one end and Trinidad and Tobago on the other. You'd have a federation of all these countries. You know, the individual economies in Grenada and so on - none of them are really sustainable. To this day, I don't know how they really exist. You had some great educational institutions. You had the University of the West Indies

in Jamaica. You had more of a technological school down in Trinidad. We worked very hard. This was really Roland Atwood's main baby. He was traveling back and forth, up and down. We were waiting for independence from all those countries to put together this great deal. The Prime Minister in Trinidad was a man named Eric Williams. He said that he would go along. See, we still had a naval base there that we'd gotten from the British - what did we call that when, during the War, we got bases for battleships, for destroyers - the Chaquaramas base. He said that for $50 million - a direct loan or grant, I forget what it was - he would go along with federation. Well, you know, we didn't have $50 million in ICA, but we got it from somewhere. It was very important to get that federation going. And the Navy said that we needed the base. A year or two later, the Navy gave it up. So, they didn't need it anymore after we'd given $50 million. Eric Williams was the Prime Minister's name. This was such a good idea that, even after Kennedy came in, he kept Jock Whitney on, who was the Eisenhower Ambassador to the Court of Saint James, on for another six months to do nothing but work on this creation of the West Indies Federation. But, the minute they got their independence, they said, "The Hell with it." Trinidad and Jamaica both pulled out. Those other countries would have stayed in, but without Trinidad and Jamaica - it was no go.

Q: And your primary motivation for trying to bring this about was what?

SPECTOR: I think prosperity of another people close to us.

Q: Were you worried about the Communists there?

SPECTOR: I guess we were. You had Cuba, you had Castro right in the middle of it all. In the Dominican Republic later, the problem-

Q: And in Central America there was the same concern?

SPECTOR: No, you didn't base it mostly on anti-Communism. Of course, in 1954, you had the CIA, as is generally known now, help overthrow a constitutionally elected man, Arbanz. And you haven't had real peace in Guatemala since. Arbanz was a Leftist, whatever that meant. We didn't put it that much in terms of anti-Communism. I think later - I was just reading in Fulbright's book - when everything got in under the rubric of mutual security, you had that idea of security in a general sense. I think Douglas Dillon was probably called "Coordinator for Mutual Security." So, you had this tinge again of security when we were really talking more about human concerns, of mutual human concerns. So, I really enjoyed that part of my job.

Q: What other countries did you cover? Or those were the primary ones during this assignment in Washington?

SPECTOR: There was Mexico, of course. We built it up into more of a third country training center. There was a big housing program that they needed help with. I forget where that money came from - probably PL 480 money - I'm not sure which. And then Haiti was always a problem. I could go to my desk and know that there would be

something on Haiti that day; that hasn't ceased. We never had an answer. We'd throw money in there. We had project after project. We had very good people there and we just never could seem to make any progress. Papa Doc was in charge the whole time I was there. Duvalier. We're now getting towards the time of the Kennedy-

Q: It was a very functional organization, wasn't it? Were the technical people very dominant compared to the geographic people?

SPECTOR: Yes. Well, I wouldn't say "dominant," but they were certainly equal. You had Fitz running things - the operations day to day. Fitz had come up the technical side and so he tried to balance it with these two men. I forget which was which. Herman Kleine or Don McPhail. One was over the geographic area and one was over the functional area.

Q: McPhail was over the geographic. Herman was over the technical.

SPECTOR: That's true. But I never found it a problem, being on a Desk, on a Geographic Desk. I always found them very, very helpful. You could just work with them and you'd find common ground. I always thought it was great. I think it was a very good organization, Haven. Maybe with DLF it would have been better, I don't know.

Q: ICA was in business all along?

SPECTOR: I don't know how many years. It depends-

Q: So, FOA came to an end?

SPECTOR: FOA, of course, came in '53. I forget when ICA came in.

Q: I think '55. There must have been some sort of milieu or atmosphere of very positive interest in development. Talking about pre-Kennedy now.

SPECTOR: Yes, it had gotten very much that way. I think having Dillon over at State, who was reflecting this- And you no longer had John Foster Dulles - I think he died. Christian Herter, I think, was then the Secretary of State. They were for development. It was just a very, very, very good atmosphere. During the election, our people were foreseeing a change in administration. Whether it was to Nixon or Kennedy, whenever there's a change in administration, it's the time to move, whether it's the same political party or not. So, Saccio left and went to Brazil as Mission Director. He was very key. In my own area, both Atwood went back to State and John Howman went to Korea, I believe. He offered me the job to go with him as his Deputy. I was about the most senior man in the Latin America area. But I knew Central America and the Caribbean. I didn't know West Coast-East Coast in Latin America. We were waiting for new people to come in. They were bringing Johnny Johnson in to be the Deputy Regional Director, and a man named Ray Hill as the Director. But Ray was coming in from Bolivia. I don't know where Johnny was at that point, but Johnny had not come in yet. I think there was even a short period when I was the Acting Regional Director, for a couple or three weeks.

Early in 1953, I was sitting home one Saturday morning and I got a call from Senator Mansfield. He said, "How would you like to go to Mexico?" I didn't know what he was talking about. He was then the majority leader of the Senate. Johnson, of course, had become Vice President. What he meant was that he wanted me to go with him on a trip. This was the first Inter-Parliamentary meeting between the two Parliaments - us and Mexico. He was heading a group of twelve Senators and twelve Congressmen. He wanted me as his aide and he said, "You're representing me, not State, not ICA. Me. I don't want you to have anything to do with the Embassy, anything to do with the Department." Well, you know, he got me. He made a call and boom. That afternoon, I was on my way to Mexico for two weeks as his aide, to help him in any way I could. We spent a week in Guadalajara and a week in Mexico City. I sat in on some meetings. I helped him with some translation. I got to know him pretty well - liked him very much. Still like him very much.

Q: What kind of person was he?

SPECTOR: He was very dour, but believed very strongly in a strong foreign policy. In those days, he was more an isolationist than he is now - I mean, than he became when he was in Japan as Ambassador. I have to tell you a story. When he first came to Mexico and I was assigned to be his assistant or bag carrier, we didn't know what he looked like. He wasn't that famous. He was the Senate majority Whip. We didn't have the little Congressional books, where you have pictures. So, the Ambassador, whom I'd never really met before, and the DCM and I all went out to the airport to meet him. We were standing at the bottom of the plane. And everyone came off the plane and no one identified himself to the Ambassador, which really ticked the Ambassador off. You know, here he was, the Ambassador. This was Francis White. We all went into the VIP lounge and the Ambassador sent me into the main lounge and we said over the microphone, "Would Senator Mansfield identify himself?" Nobody identified himself. Finally, I went up to the pilot and I said, "Wasn't Senator Mansfield on the plane?" He said, "Yes." And I said, "Can you point him out to me?" And he said, "Yes" and there he was standing over there. I walked up to him and I said, "Are you Senator Mansfield?" He pulled his pipe out and he said, "Yes..." I said, "Well, Senator, the Ambassador is waiting for you in the VIP room." So, I escorted him to the VIP room. This was typical of Mansfield. The first thing he asked the Ambassador, who was more Republican than the Republican Party, was "How's my old friend Bill O'Dwyer?" Well, Bill O'Dwyer was a rambunctious Democrat, a former Mayor of New York, who had been the Ambassador to Mexico. The Ambassador just couldn't stand him! Of course, Mansfield knew that. To set the picture: the tradition in the Ambassador's office was to have pictures of all the previous U.S. ministers and ambassadors hung around the office. In fact, there was a tradition in Mexico that all of the former Ministers, because that's what they were before, pictures were in the office of the Ambassadors. They were all on the wall from the very first one. When White took over the job, his secretary started to put up O'Dwyer's picture, but White said, "I don't want it. I can't stand the man." And he would not let him in the Embassy. Mansfield knew that. Later, when I got to know Mansfield better, I said, "Senator, when you came to Mexico, didn't you know that White couldn't stand

O'Dwyer?" And he smiled. But it was helpful to me later, knowing Mansfield, when we were passing the Foreign Assistance Act. So I went with him to Mexico and came back.

The beginning of AID - 1961

I wasn't involved in the first work on creating the Agency for international Development (AID). As you know, Kennedy appointed Henry Labouisse as the Director of ICA, a wonderful man. Sweet, calm, a gentleman in every sense of the word. He'd been the former head of UNRRA, the refugee program. Under him, what he did was delegate most of the running of ICA to Fitz, to Dr. FitzGerald. So, you had a group of Labouisse-Douglas Dillon had left State, so Jack Bell was the head of that coordinating mechanism over at State. You had Frank Coffin, who was the head of the Development Loan Fund. And a couple of people from the White House like Bill Dentzer, sitting in deciding what to do about the foreign aid program. On March 22, 1963, President Kennedy had laid out the policies and general organization ideas of a new agency for foreign assistance. Generally, there was to be unified administration and operation, there would be country plans carefully thought through, programs tailored to meet the needs and resources of each individual country; there would be long term planning and financing, special emphasis on development loans that were repayable in dollars, there would be a multilateral approach, there would be a new agency with new personnel, and there would be separation from military assistance - that would no longer be under the coordination of State Department, but it would go back to the Defense Department, which was a very bad thing as far as Latin America was concerned.

Q: Economic assistance? Economic supporting assistance?

SPECTOR: I think Supporting Assistance was still in ICA, but the Development Loan Fund, of course, had the lending function. But there wasn't much Supporting Assistance where I was, in Latin America, except maybe that $50 million for Trinidad and Tobago was Supporting Assistance. So, then we had President Kennedy's message of March 22, but now you had to implement it. The President appointed Labouisse as the head of a special task force on foreign assistance. On the task force, he had John Bell again, as his Deputy. Under John Bell, there were three working groups. One working group was on Legislation and Congressional Presentation. They brought back on that one a man named Theodore Tannenwald, who I think we're going to interview later, who was a New York lawyer. He had previously worked in the State Department. He chose a young, very bright lawyer to be his number one assistant named John Rehm, whom, speaking today in 1996, is the husband of Diana Rehm of our WAMU. He met Diana there. I never knew her, but she was a secretary in the State Department and John met Diana there. There was a Program Development group. That was under Frank Coffin, who was then the head of Development Loan Fund. He brought around Jim Grant to help him; a man named Jake Kaplan; Lester Gordon from Harvard; Max Milliken from MIT. Milliken and Rostow had done studies on technical assistance for Mike Mansfield when he was on the Senate Foreign Relations Committee. That was a very bright group.

Then, for organization and administration, they brought in a man named George Gant. George had most recently, I think, been with the Harvard program, or the Ford Foundation. And he'd done some work in Pakistan, where he had gotten to know Dave Bell. John Bell had been there at one time, too, so he knew John. Dave Bell at this point was head of the Bureau of the Budget. George had been the Director of Personnel for the Tennessee Valley Authority and thought everything should emanate out of Personnel. Later, he had become the Director of the Tennessee Valley Authority before he went to work for the Ford Foundation and for Harvard. George, as I got to know him, brought in as his Chief of Staff, a man from the Bureau of the Budget named Richard Barrett. I think I told you that I met Dick way back in 1945 when Dick and I were both in UNRRA. We'd kept our friendship all these years. So, I was kind of an unofficial advisor to Dick on organization and administration. Dick had never served overseas. He knew nothing about aid. He got a lot of his ideas from me. One of them, of course was, I felt your emphasis should be, because I'd come from the geographic areas, that it should be on the geographic bureaus and everything else should be staff to that. What the Program Committee under Coffin did was they would ask for testimony from each of the Regions and from other people. I'm sure Herman testified and all the others. In the other Regions, the new Regional Directors had not been appointed yet, so these were career people. You had people like Carter Ide testify. Jim Fowler testified for the Far East. Maury Williams testified as well. But in my case, there was neither a Director nor a long-time Deputy. Johnny Johnson had just come in and they were suspicious of Johnny. He was pretty well identified with the Republicans. He was close to Nelson Rockefeller. So, they asked me to represent Latin America, which put me in a very bad position. Here my boss, Johnny, wasn't being asked to testify like all the other Deputies were.

Q: Testifying to-?

SPECTOR: To the Program group. Coffin, Jim Grant, Jake Cantor, Max Milliken, Lester Gordon. When I was testifying on my area, I knew what I was talking about. This was Mexico, Central America, the Caribbean. They loved the idea of Central American integration. They loved the idea of the West Indies Federation.

I was at a loss when it came to East Coast-West Coast of Latin America. I came back to my office about the third day. I came in on a Monday and I didn't have an office. Johnny had taken it away from me. I didn't have a secretary. I didn't have a desk. I had nothing. And here I was supposed to give my view to this new team about what we should be doing in Latin America. So, I went to see Fitz and Fitz fizzled out. He didn't do a God damned thing. He said, "Well, there's nothing I can do." So I didn't have an office. Well, finally, I went to - I forget who. I got an office. I don't know if I ever got a secretary. My old friend Mat Torre was in town. He said, "Why don't you rent an office and hire a secretary. You know, go into an office building?" I put up with this for about a week. People like Jim Fowler had been the Deputy. He had his whole staff behind him - Program Office and all the Office Directors. I had nothing. So, I just finally gave up. I just said, "Look, I can't do a decent job" and so I left.

George Gant took me on to do the personnel side of the reorganization. On the personnel side, he had brought in two people to decide what should be done about the personnel of the AID organization. He brought in Jim Mitchell. I think Jim then was with the Brookings Institution. And Don Fowler, who was Director of Personnel at The World Bank. Two excellent people - happened to be two old friends of mine. They had spent about three or three weeks on it and they were ready to go back to their jobs, back to Brookings and back to IBRD, so I took over from them. Their proposal was that we should move very quickly to integrate the personnel systems of this new foreign aid agency with State and USIA and really to have a personnel office that would be part of the State Personnel Office. This is what I inherited.

Q: You mean, to have a unified Foreign Service?

SPECTOR: Yes. I'd been for that and I am for it and I helped bring it about many years later, but I wasn't for it at that time. I've always felt that you should have a separate development agency, that it should not be a part of State. Maybe it should be under some kind of policy direction, but not a part of State. If you immediately set up right then the system, you would almost put the whole damn thing under the State Department. I was for integration. I told you earlier: I helped Hank DuFlon back under Eisenhower. We were looking for an overall personnel system. But not right then. I felt we should have our own personnel office, that we shouldn't be an adjunct to the State Department. So, I wrote some language. I don't want to bother reading it to you. Well, maybe I will read it.

What I wrote was, "After a careful review of features of the current personnel system, it has been decided that the development of a separate career system for AID personnel is unnecessary and undesirable. Instead, it's proposed that the authorities in the Mutual Security Act be retained as an interim step in the development of an integrated foreign affairs system and basing both the assistance and non-assistance parts of the State Department. In the meantime, the personnel systems of the State Department and AID will be administratively integrated in such a way as to secure consistency of policies and standards to facilitate interchange of personnel (I felt strongly about interchange of personnel and I still do). To provide the decentralized operations necessary to accommodate the requirements of each interchange of assignments among State and AID personnel will be increased." We took out the phrase "administratively integrated," and we changed it to "integrated." The legislation went to the Hill and the one thing that I kept insisting on is that there not be another Stassenization. That had been a very traumatic thing for the Agency. It was remembered on and on in ICA and DLF and it's still going on. But the Kennedy Administration was very much for a brand new organization. But Jack Bell, God bless him - he was the key man on this - was really the chief person against "disintegration." It was Jack that was the mover and shaker. He knew so much and he was so dynamic. I remember him at a big meeting we had with everybody there - White House people and everyone else - saying, "We're going to have a lot of bad people from the old outfit and, God, we need new, vigorous people." And he'd say, "I don't care if you get 100 bad people if one good person is axed." The idea was you'd set up a new agency, and under existing laws, there was a law that said that when there was a new agency set up, if it is using any of the old agencies, even though it's been

abolished, those people have a right to jobs in the new agency. Edna Boorady had researched the laws thoroughly. She was, as you know, a first rate lawyer, and she said it could be done. So, the idea was that we would do what we had done under the Ribicoff Amendment: that you would apply the standard reductions in force. With that in mind, I felt happy.

Appointment as Director of Personnel of the new agency, AID - 1961

About that point- During this period, I'd been assigned to the National War College and I wanted to go very badly. But Labouisse called me in and he said, "I want you to become the Director of Personnel of the new AID agency. I'll promise you that a year from now, you and Bill Parks-" Bill was scheduled to go to the Industrial War College. He said, "I'll promise you you'll go" and he gave us letters to that effect. So, I agreed to take the job. The Personnel Office was much too big, more than I wanted, but we'll go into that in a minute. As a matter of fact, I think Bill Sheppard and I took the first day off that we'd had in several weeks and we went to play golf over at Kenwood. We were about at the fourth hole when somebody came out from the clubhouse and said, "You're wanted back at the State Department."

What had happened- This - "the Ripper," as we call it - was not in either bill of either the Senate or the House. When it went into conference, somehow they put the same language in there that was there under Stassen, that we could get rid of people without regard to any other law. And it had passed. I still think it was Ralph Dungan that put it in there, the White House Boston Mafia guy. I had promised Labouisse I would do personnel and here I was stuck with the same God damned thing! In the report that was written, the study about the whole thing, they said people were afraid of the "Spector" of Stassenization - he spelled it S-P-E-C-T-O-R. Here I had to run this awful thing. Later, I was called up on the Hill with Dave Bell and had to testify and had 150 wives, children of these fired people sitting behind me. I couldn't stand it. That's why I transferred to the State Department later.

So, I Director of the Office of Personnel Management. The Office of Personnel Management was just not personnel. It had organization and management in it. It had security, both physical and personnel security. It had evaluation, whatever that meant, which kind of impinged on the type of work you once were in.

Q: It was personal evaluation though.

SPECTOR: Yes, well, personal evaluation. But the way George Gant looked at it- See, he'd come from Personnel in TVA. You could run the Agency with the Personnel Office, which is kind of ridiculous. Personnel are very important. I wouldn't concede that to any man, but still- So, it was a rough job and we did- The first person to be appointed to the new organization of AID was Jack Bell. The lawyers had figured out somehow how to do that. Then he appointed me. I was the second person appointed to AID as Director of Personnel. Then I signed all the other actions for everyone else that was brought into AID. My name appeared at the bottom of the journal.

I tried to do some things that first year. One thing we did was, I felt so strongly on training that I appointed a committee, with Jim Mitchell as the Chairman, Donald Fowler on it, Sam Hayes from the University of Michigan, Ford Lukhart, Clarence Thurber from the Ford Foundation, Mark Torre, who was my old psychiatrist friend, and a wonderful man named Karl Mathiasen as the Executive Director and we got this out. To really train the people in AID- In my early incarnation in AID, I felt that development was a very special thing. It took special consideration of cultures and so on and that there would be research for the improvement of training. I felt training was a very important thing.

Q: Particularly when you're setting up a new agency. Were you faced with having to fire a lot of people?

SPECTOR: Yes, we fired about 200 people, which later, one way or the other I understand Dave Bell allowed back in. They all appealed one way or the other and a lot of them came back in. That isn't the way to run- You do it by attrition. There ought to be better ways to do it, but this mass bloodletting is not the way to do it.

Q: How were they selected?

SPECTOR: We did it based on their efficiency rating. We had committees set up and it went up again to a Board that finally made the decisions.

Q: Foreign Service and Civil Service?

SPECTOR: Yeah. For the very top people, the people that are the excepted appointments. There were over 100 of those. These were the people that were going to run this new agency. They came from military assistance and the Development Loan Fund and ICA and all that. I appointed a board under Dillon Myer, for whom Tom and I had a great respect. It was called the AID Evolution Board. On that board were myself, Jack Bell, and a man representing the White House, Bill Dentzer (who represented Ralph Dungan) and one or two others. We went over the every Personnel file of every one of the top executives and decided who would go and who would stay of that group. Most of them stayed.

We had a pretty good bunch of people. But there's one case that's kind of interesting. We were going over Mission Directors and we had a man in Ceylon. I think he'd been the Deputy there to Jim Grant earlier. He was the Deputy and the Ambassador was a lady: Frances Willis, wanted to make him the Director. His name was Jack Kubisch. Dentzer, who was the political guy, looked at this and he said, "Who's this guy Kubisch? He came in here in 1960. He's got to be an Eisenhower guy." I said, "Bill, I've known Jack since the Marshall Plan days, when I replaced him in Paris. He's one of my best friends. To this day, I don't know what his politics are, but he's a very able man. He's gone out and made his million dollars in private industry. He came back in. He loves foreign aid." "Well, let's bring him back to Washington and take a look at him." So, I sent Jack a wire to come into Washington. The first guy that interviewed him was Bill Gaud, who was the head of

that region. I got a call from Bill Gaud, saying, "Now, I've been thinking about replacing Carter Ide. Do you think you could get me Jack Kubisch as my Deputy?" I said, "Well, I don't know. I'll see what we can do." Then Dungan wanted to interview him. Dungan, the big guy over in the White House. So, I sent him over to the White House and I get a call from Ralph, saying, "Mel, I've just found our new Mission Director for Brazil: Jack Kubisch." The guy that they were going to fire was the guy that they thought was Mr. Great. Jack went on to become a Foreign Service Officer and an Ambassador to Greece. There was the tycoon fiasco.

Q: Operation Tycoon.

SPECTOR: Here I am, Director of this great Office of Personnel Administration. I didn't even know it was happening, but Dungan over at the White House, had been talking to General Lucius Clay. Clay had said, "You ought to bring in businessmen. Businessmen know how to run this outfit. Businessmen." So, Ralph got in touch with someone from IBM, the Director of Personnel and Deputy and they decided to bring in all these executives - I think there were almost 40 of them - to take over this new agency and run it. I wasn't consulted at all about this and here I am, Director of Personnel. So, I have to go to the Hill to testify with the Deputy Head of AID, who was a man named Jake Lingle, who'd come from Proctor and Gamble, a very nice man. We testified before the House Foreign Relations Committee. We were getting a pretty rough time. We got around to one of the senior Congressmen, who's name was Walter Judd. He was a medical missionary, so you called him "Doctor." We got around to Dr. Judd. He said, "Mr. Lingle, I understand you're bringing in all these businessmen to run AID." And he said, "That's right, Sir, we're going to put it on a business-like basis. We're going to make this a really business-like outfit." Judd said, "Well, you know, I don't know if you know, Mr. Lingle, but I am a physician. And if I had a brain tumor, I would want a tumor specialist to remove it, not some businessman. You've got people who really know development and you're firing them and bringing in people who know nothing about development." I wanted to kiss Walter Judd. You know what happened to Operation Tycoon. One person out of the whole group finally stayed with the Agency and made it and he went on to The World Bank or IMF. I forget his name.

Q: Bob Neuter.

SPECTOR: Right. You know what that cost the Agency, to the morale of the Agency, to the people that were there that had worked and strived to bring in a bunch of guys who knew nothing about it. Part of the time I was in that job, I was offered the job of Vice President of the Asia Foundation. I went out and looked at it and, for a variety of reasons, turned it down. But I suggested Bill Sheppard, who had had a stroke many years before and he couldn't stand Washington's winter. Bill was the Assistant Administrator of AID for Administration. Bill got the job. So, I was appointed Acting Assistant Administrator of AID for Administration for about a month. I don't know whether you're going to approve of this or not, Haven, but I was the guy that approved the first Joint Administrative Services for AID in Africa. Who was the guy in Africa who had lots of

ideas about having regional offices in Africa and this and that and the other? But I approved the first JAS.

The other thing that happened was that the Alliance for Progress was being set up. The idea was it was to be kind of a part of AID that had a special aura. It was under a man named Ted Moscoso from Puerto Rico, who had been the key man of Operation Bootstrap, that had brought so much development to Puerto Rico. We had an office building for them on Pennsylvania Avenue. I think about where the present Mexican Embassy is. We had a big logo being built to hang outside the building show that this was special. The Alliance for Progress was very near and dear to President Kennedy's heart. They were scheduled to move over a weekend to these brand new offices. I got a call late Friday afternoon that George Ball, the Under Secretary of State, had been to see Kennedy and had scotched the whole thing. The idea was "No, they were not going to move at all. They were going to go back to back with the State Department's Latin America bureau." So, over the weekend, we had to reschedule the move, have other people move into the office space we'd already rented, that were being displaced in the State Department to open up room for the AID people. We put State and AID back to back for Latin America.

Q: What was the reason for starting it that way? That was the only Bureau that was set up that way, wasn't it?

SPECTOR: That's right.

Q: Why was it-?

SPECTOR: I don't know. I don't know where Ball got the idea. He felt that there was too much division between AID and State. The head of my Bureau when I was in ICA was a State Department man. There had been a closer relationship of State and AID in Latin America, I guess, than most other places. He just thought it would be better organization.

Q: Within the context of the Alliance for Progress though?

SPECTOR: This was still the Alliance for Progress. You still had Ted as the head of the Alliance, but he was now working with State, next door to the Assistant Secretary. Later, under Tom Mann, when I was Executive Director of the Bureau, we actually integrated those offices so that they were combined. They were no longer just back to back.

Q: How did you find that worked?

SPECTOR: Well, I wasn't there that long. You ought to do some interviews. The State people thought it worked very well. The AID people I'm not so sure thought it worked as well. That's just a generalization. I still believe that there should be an interchange of personnel. That's very good for both, to learn each other's points of view. I think development is such a major part of what's going on that it ought to continue. One other thing that I did when I was Director of Personnel. The head of the TIAA-CREF. You know what the TIAA-CREF is. It was organized by the Carnegie Foundation. Many of

the teachers in this country and many foundations - like the Ford Foundation, the National Academy for Public Administration - and universities are under this system. It's a retirement system mainly for education people. It was set up under the Carnegie Corporation because teachers in small communities didn't have any pensions. And so, by having this overall pension fund, they could be a part of it. Many, many universities are under it. It's a very, very big outfit. The problem that this Mr. Pfieffer brought to me was that - he was talking about Africa mostly - people would go to Africa in technical jobs and serve in Nigeria or wherever it was and their counterparts, here they were with all this money and cars and this and that and higher salaries. But here were their counterparts with "nada." The idea was that we could appoint people somehow to go to Africa - let's say Africa; it could be anywhere. They would still have their pensions and their TIAA-CREF back in the States. You could incorporate this corporation that would hire these people under, say, the State laws of New York, where they would have workman's compensation and you could pay into their accounts but keep the majority of the pay at home. But, locally, they would look like no more than the local people. They wouldn't get paid much more than their counterparts. I advised him on this and I don't know whether it ever came to pass or not. I don't know whether you know or not.

Q: I remember there were discussions but I don't recall. I don't think so.

SPECTOR: But it was an interesting idea and we tried different things like that. I finally left the Agency. I was so unhappy about this-

Q: Who was the principle driving force in this restructuring of the, or the creation of AID at this time?

SPECTOR: It came out of the White House. Rostow was over there. Sorensen. The President himself. The top person - I've mentioned him a couple of times - was Ralph Dungan. Ralph eventually had three jobs. At that point, he was the President's primary person on top personnel appointments - Secretaries and Assistant Secretaries. He was also the White House man on AID. Later, he also had Latin America. McGeorge Bundy, who just died, had all of the world as National Security Advisor, Special Assistant for National Security, except Latin America. Dungan had Latin America. McGeorge Bundy had Cuba and the rest of the world. So, the force came mostly out of the White House. Then there had been some force on the Hill. One of the bad things under this was that they took military assistance out and gave it to the Defense Department, which gave us problems in Latin America.

Q: What was the driving rationale for the creation of AID? Why did they want to bring it all together?

SPECTOR: They thought they could get the most bang for the buck - to bring together development loan funds and technical assistance was the main thing, which I think made sense. You can't exclude loans from it, although my interest has always been technical assistance.

Q: Do you find those operations very different?

SPECTOR: I wasn't involved. I was in Personnel and I was no longer an Office Director. But I think that it worked better. I also deplore the use of the word "aid" and I know we're never going to get rid of it, but I think the old days of "technical cooperation" was a much better term, or "development" or "international development cooperation" is even a better term. I hope that someday we will come to that. Later, if you want my overall ideas on all of this, I'll be glad to give them to you.

Return to the State Department as Executive Director, Latin America Bureau - 1962

Q: So you went on to the War College?

SPECTOR: No. Herman Pollack of State and the Under Secretary for Management - Bill Crockett - called me and said, "Why don't you move over to the State Department?" I was so sick of Stassenization and this whole business. AID had offered me the of being the AID liaison at the UN, which Herman Kleine took after I turned it down. Pollack and Bill Crockett had said, "If you come over to State, we've got some very interesting jobs as Executive Director of the Bureaus, which we're going to make Deputy Assistant Secretary jobs. We have a job open for Europe." I thought, "My God, Europe! Paris, London, Rome! Beautiful." "And then you'd have an opportunity to apply to become a Foreign Service Officer, a commissioned Officer. It was not guaranteed. You had to go before a Board and all the rest. So, with that in mind, to become a Foreign Service Officer, a commissioned Officer, and just to get out of AID- To this day, Haven, I'm not sure I did the right thing, because I've always loved AID. You can take the boy out of AID, but you can't take AID out of the boy. But I did it and I went off on a vacation to Florida and I came back and they said, "The job is no longer in Europe. It's in Latin America." Well, the man who was Assistant Secretary for Latin America, Edwin Martin - one of the best men I've ever known - and his Deputy was Dick Goodwin, who was a Kennedy man, a speech writer. I knew all about Dick Goodwin. I finally said, "I'll take the job, but I won't report to Dick Goodwin." Ed said, "You won't" and I didn't. Dick stayed on as Deputy, but I had very little to do with him except cleaning up after him and his messes that he'd leave around the world. There's not much in that job that's related to AID. I don't know how much you want me to go into this, but-

Q: What were you doing? How long were you in this job?

SPECTOR: I was in there almost two years. As Executive Director of the Bureau, you're concerned with the management of the Embassies, finance, personnel, relations with AID, and so on.

Q: This was still during the Alliance period?

SPECTOR: Yes, during the Alliance period.

Q: Were you interacting with AID? How did you see the issues from that side?

SPECTOR: I felt that AID was niggardly in the way it treated the State Department. I knew the money AID had and I knew the little bit of money that the State Department had. For example, Bill Parks was my counterpart. He was the kind of Executive Director for the Bureau of Latin American Affairs of AID. We had two offices with a common lobby. He came into my office one day and said, "Mel, I'm ordering some new carpeting for the lobby. Do you mind if I carpet the whole thing, yours, too?" I said, "No, that would be great" because in State I had an office, I was Executive Director of personnel with a rank of FSR-1. They Deputy Assistant Secretary never came through. And I didn't even have a rug on my floor. I said, "That would be great to have a rug out there. I don't have one in here, but it would be great out there." We had old, beat up typewriters and all the rest. Bill left and went to Brazil and a new guy came in named Harry Hinderer. When the new rug came in, they started to lay it down all the way, in front of my office door. Harry saw that part of it was going to go in front of my office. He stopped it. Cut it off.

One thing Ed Martin and I tried to do was to bring new blood into the Latin America area. Ed was just first rate. Ed, too, had worked for Dillon and he knew foreign aid as well as anybody. Ed and I felt strongly that we ought to bring new blood into Latin America. You had the old Latin types, some very good people, but getting too set in their ways. I'm talking about the State Department now. So, we tried to bring in new people. We brought in Jim Fowler from AID-Far East and made him AID director and economic counselor. Our idea was to bring them in and then make them DCMs and then from DCM they could go on to become Ambassadors. One of the first ones we worked on was Len Saccio. Remember Len Saccio had been the Republican Deputy of ICA. He'd gone to Brazil, done a first rate job, but he was very bad on Congressional relations. He had a lot of hubris dealing with Congressional delegations. Some Congressional delegation had gone down to Brazil and they felt he had treated them with the back of his hand. They wanted to go up to Northeast Brazil. He wouldn't let them go. Some of the delegation went to see Rusk and he was yanked out. He came back to DC and saw Graham Martin, who was then the deputy to Ted Moscoso and Graham would not even see him. Graham went with the political winds whichever way they blew. So he came to see me and I said, "I think you'd be a great DCM." We tried to send him to Jamaica. Ralph Dungan said, "Oh, no, I'm not going to send a Republican to that beautiful place." Ralph had never been in Kingston. If you've ever been in Kingston, we're not talking about Ocho Rios, we're talking Kingston. So, we said, "Well, Salvador." He said, "Okay, Salvador." So we sent him to Salvador. We had a marvelous career Foreign Service Ambassador there who just thought Len Saccio was the greatest thing to ever come down the pike. He accepted the idea of a non-FSO as his DCM, even a person from AID!

See, every Ambassador, when he takes over his job, has to issue a kind of a ranking. In other words, if he was incapacitated, the DCM becomes the Chargé. If the Chargé's incapacitated, then who else will be in charge. It is almost always the head of the Political Section, throughout the world, believe me. In Salvador, the Ambassador designated the AID Director to be second in line. Before Ed and I could bring this about, we had to get approval from State. I went to see the Deputy Director of Personnel at State and I said, "We'd like to have Len Saccio go to Salvador as the Deputy Chief of Mission. Well,

Haven, it would have been as if I had called his mother a prostitute! He just said, "My God, an AID guy to be DCM?" The DCM position is a very crucial job in the State Department because that's the way you keep control. As a matter of fact, generally it is a good policy. Often, a career person has to back up a political ambassador who doesn't know what he or she is doing. I reported the turn-down to Len Saccio and Len said, "Gee, Mel, I don't know what to do. I love this business. I love foreign aid. You know, I've never used this before, but should I go see Doug Dillon?" Dillon was the Secretary of the Treasury at this point. He'd known Mr. Dillon from the ICA days when Dillon was the Coordinator at State for foreign assistance. Dillon was beloved by President Kennedy. He was a Republican, Secretary of the Treasury who helped the President a great deal. Well, lo and behold, next day, the top of the State Department almost came off. The Director of Personnel called me. He said, "What did you tell Len Saccio?" I said, "Well, I told you that you wouldn't approve him." He said, "Oh, no, no! Tell him it was a mistake!" Len was appointed DCM to El Salvador.

We tried to bring other people in, too. We were on our way to doing it before Kennedy was assassinated. I truly believe we had the very best policy towards Latin America we've ever had. Ralph Dungan, whom I didn't like at all when he was my bête noire on Personnel matters, had an excellent point of view on Latin America. His view on Latin America blended with that of Ed Martin, the Assistant Secretary. I think Ralph and Ed were a perfect team, backed by the President himself, who just loved Latin America. You know, when Kennedy was assassinated, Johnson did not move into the White House the next day after the big funeral because Mrs. Kennedy wanted to give a reception for just the Latin America heads of state who came to the funeral. I was in charge of the State Department part of that. As each one went by to shake hands with Mrs. Kennedy, she said to each of them, "Jack loved Latin America. Jack loved Latin America." It meant a lot to me. On a minor, personal front, the assassination meant a lot to me because, the day before Kennedy was killed, Ed Martin announced that I was going to be pulled out of my job and detailed to set up a special task force to work under the general guidance of him and Averell Harriman on reorganizing the Organization of American States (OAS) which would have been a great job, but I'm sure would have been impossible! It was just as well. Then Johnson came in and appointed Tom Mann, who was Ambassador to Mexico, to be the head of Latin America. Tom was determined to integrate State and AID. It was just a given with him and he wouldn't hear of anything else. I assembled a team of Dick Barrett, Bob Sayer, Jules Sugsuman, and Jerry Pagano to work on it.

Q: It was just the Latin American part?

SPECTOR: Yes. Well, Tom was just over Latin America. What happened was, before Kennedy died, someone had gone to Kennedy to say that he should appoint an Under Secretary for Inter American Affairs. And he had written a memo to Dean Rusk, which I saw, which I did not keep a copy of, saying, in effect, "I want to set up an Under Secretary for Inter American Affairs." (Everyone else would be an Assistant Secretary - for Far East, for Europe, but Inter American Affairs would have an Under Secretary. That's how Kennedy felt about Latin America.) As you usually do, don't tell me I can't do it." Kennedy did note didn't want Kennedy like Dean Rusk. This was in October. Of

course, he was killed in November. So, when Johnson became President, here on his desk was this wish of the former President to upgrade everything in Latin America. He talked to Fulbright about it and Fulbright said, "My Lord, what about your relationships with NATO and with SYNCPAC and this, that and the other?" So, instead, and I'm not sure to this day where he got the idea, he decided to combine everything on Latin America and to set up a kind of a Poobah for Latin America. This was Tom Mann, whom he hardly knew. Everyone thought he knew him, but he didn't. Tom was recommended to Johnson by Hubert Humphrey. So, Tom Mann would have three hats. He would be Assistant Secretary for Latin America. He'd be the head of the Alliance for Progress. And he'd be the "Ralph Dungan" in the White House. He'd get it all. I just thought this was wonderful because I was all for upgrading Latin America.

I was especially interested in getting control over the military. What was happening was that the military in Latin America - our military - would go right against the Ambassador's orders. So, the Ambassador would be recalled and the AID Director would be recalled and in three months, they would be back and be in control. And when we would withdraw the Ambassador and the AID Director and the USIA Director - not Peace Corps; that's different; we didn't go into that - they would say, "But the military wouldn't leave." So, Ed Martin would have to call Ralph Dungan, who would have to call Bob McNamara. Bob McNamara called the Joint Chiefs of Staff and they'd remove him. And the military were revolutions in Latin America.

Q: This was actually-

SPECTOR: Oh, yes. This happened just before the assassination in Honduras. When Tom Mann came in he was just riding awfully high. His face was on the cover of Time, he was the first new big appointment of Johnson. I said, I had this group under me of first rate people like Bob Sayre and Rodger Abraham and so on. We went to Tom and said, "Look, this is your chance to get control of this whole thing. Take away the control of the Inter American Development Bank from the Treasury Department. Take control of the military assistance programs from the Defense Department. Take control of the Panama Canal. Put that under State and get it away from the military." I went over to the White House myself. Got him an office over there. Got him a White House car. I knew the trappings of power - that if he called and said, "This is the White House calling," that's a big, big difference than saying "This is the State Department calling." He wouldn't accept any of it. He never used the office at the White House. He never used the car. He had lunch with Bill Bundy, who was then the Assistant Secretary of the Department of Defense for International Affairs, we had urged Mann to take over the military, which he could have done. Johnson would have given him anything. Mann came back and said, "I know Bill Bundy and we can always get along. I don't think we have to do this," so we didn't get that. Later, Bill Bundy became Assistant Secretary of State for Vietnam. Then we said, "Well, you ought to take over the Inter American Development Bank. That ought to be a part of the package. If you're really going to run Latin American affairs." He said, "I'm a good friend of Douglas Dillon. I get along with Douglas Dillon. I'm not going to take it out of Treasury." We got none of that. The only thing he took over was the Alliance for Progress. Tom Mann liked Rodger Abraham very much, as well he should have. Rodger

had been his Admin Officer in Mexico, so it became pretty clear to me that he liked Rodger more than he did me as executive director.

I think a lot of our problems with Latin America stem from Tom Mann. For example, Ed Martin and I were going to make Murat Williams Ambassador to Guatemala. Jack Bell was Ambassador to Guatemala, but he was being PNGed by the Guatemalan government. These were papers we had going before Kennedy was assassinated. Tom said, "I don't want- No, not him." I said, "Why?" He said, "He was against the fourteen families in Salvador." The fourteen families in Salvador who had been behind this whole problem we'd had down in Salvador for the last umpteen years. He was an anti-democracy kind of guy. We also disagreed a little bit on organization. He wanted a separate office for every country. An Office for Mexican Affairs, an Office for Honduran Affairs. And I said, "We would need 20 or more office directors!"

So, finally, I went back to AID for six months. I became the Assistant Director for Administration for Latin America, whatever that title is, working for Bill Rogers, a wonderful guy - not the Secretary of State, but the man that became Under Secretary later under President Ford. I enjoyed that very much, being back in Latin America working for AID.

Special assignment in AID on Latin America - 1963

Q: Was there a special task that you had at that time?

SPECTOR: Just being the usual - whatever that person does. The one thing I tried to do there, which had no direct relation to my job, was I worked with a very bright young woman named Ann Brownell, (now Ann Brownell Sloan). We tried to develop the idea of a profession of development administration. There should be a degree in development administration. There should be courses in development administration. She and I were working on that before I had to leave.

One thing I did do though was to get even with Harry Hinderer. When I became Executive Director under Tom, I also had the AID Latin America bureau responsibility. I knew they had money. I'd see people walking down the hall and they'd say, "Hey, Mel, I'm going to Brazil tomorrow. Is there anything we can do for you down there?" There'd be about three of them. As the State Department executive director, I used to have to approve every single simple travel order for Linc Gordon. You could never bring a DCM to town for a consultation in their whole assignment, or anyone else. And there'd be three guys going down to Brazil for AID. So, I went back to the office and I said to my people in AID-Latin America, "I didn't approve those orders." "Well, no, you don't have to, Mel. They have their own money. We have so much money for travel, you don't have to worry about that."

So I ordered all new furniture for everybody, new IBM Selectric typewriters, carpeted all the floors. We had the money. So, I got a call from Bill Hall, who was the Assistant Administrator for Management of AID overall, a great guy. A career Foreign Service

Officer. But he was then serving in AID. He said, "What are you doing, using AID money to carpet floors for the State Department?" I said, "Bill, these are joint offices. This is not just AID. It's AID and State. They're joint." He said, "I just don't think it's right." I said, "Bill, do you want me to discuss this with Tom Mann?" "No, no, that's quite alright." And we carpeted all the floors. So I got even.

One other thing I did get accomplished to give contracting authority to the AID missions was, Dave Bell was then the Administrator. I felt strongly, as did many people that the Missions should have the right to contract. I had a conference with Dave on a Saturday afternoon and he agreed to give a Mission authority to contract up to $10,000 or $25,000 on their own. The first test Mission was in Guatemala. I think that was the wedge. If anyone looks up the record, I think that began it. I think Dave did it, among other reasons, because Jack Bell was still Ambassador down there. But that was the opening wedge, I think.

Q: What other changes occurred during this period - ICA, AID?
Was the decision to eliminate direct hire technical assistance and go almost exclusively to contracts? You talked about university contracts and so on, but in those last days of ICA and the early days of AID, I believe there was a very large direct hire technical group. What was the reasoning behind the shift away from using direct hire technical assistance? That was part of Personnel, wasn't it?

SPECTOR: No, not when I was there. I think I know what was behind it. You can contract for a project, get it done, and when it's over, you can easily get rid of the people. They are there only on contract. You don't have to worry about them. You don't have to have a reduction in force or a bloodletting, or a Stassenization. But I think contracting has gone too far. After I retired, I did some consulting for AID in the field. I observed contracting here and there. I think it has gone much, much too far. One thing I learned when I served in Mexico from Dave Amato was this: you need long term commitments of technicians stationed there, that stay with the program or project, who know the people, who know the political, economic, and social aspects of the country and can really do a job and can follow a project all the way through. What I found in AID was that one contractor would design a project and another would actually get the contract and implement it. You had no continuity. And I think that's awful. I think, sure, contracting is good and I think contracting ought to be continued, but there should be many more career people to supervise those contracts in the Missions and in Washington and that contractors carry through projects from beginning to end.

The one area which I know has not been very popular with AID, but that you know so well, is public administration. There's no real Public Administration Office. I think public administration has been downgraded by AID, especially over in Eastern Europe, where you need a good basis of a government before you can have democratization and you can have a decent market economy.

Q: Do you have some impression of the character, of the quality of the public administration programs that AID or predecessors had?

SPECTOR: Just peripherally. I think we tried in the early days to duplicate or replicate what we had in Washington. If we had a Budget Bureau, then they ought to have a Budget Bureau. If we had a Civil Service Commission, then they ought to have a Civil Service Commission. I think this did not go down very well and was not based on the recipient country's own situation and history. I think this is one reason that the public administration people were displaced. I did like that phase in AID's history during McPherson's regime - institutional development. I believe strongly in institutional development. So, if you look at public administration more under the rubric of institutional development, with all its facets, then I think you've got something.

Special assignment as Counselor for Administration, U.S. Embassy India - 1964-66

I went to New Delhi in '64 as the Counselor for Administration. I went there because Chester Bowles, who was the Ambassador, wanted to combine the two administrative staffs of AID and the Embassy. With my background in both AID and State, Bill Crockett sent me out. I tried to put them together. I think it would have worked there. It would have gone even better later, when you had one overall, comprehensive Foreign Service system. But I brought out a man named Orbun Powell, who was one of the best in the business to help me do it. We proposed the first head of the operation be an AID guy, not me. The efficiency ratings of all of the people working in the combined operation would first be done by the AID man and then reviewed by the Ambassador, so that the staff would feel they had just as much obligation to take care of the AID people as they did of the Embassy. But I could never get it approved back here. Again, it was Bill Hall. It was Bill who was the Foreign Service Officer, Assistant Administrator of AID, who blocked it. The local AID people approved it: a first rate AID Director, John Lewis. So we didn't bring it off. But, once again, AID had enormous resources of physical stuff that they would not let the Embassy use.

A year in the Senior Seminar - 1966-67

Q: You were there for one year?

SPECTOR: One year: '66-'67. One of the things you can do in the Seminar is you can take a trip anywhere in the world - you could then - I think you still can - and study anything you want, with the agreement of the Director of the Seminar, of course. What I wanted to do was study the various ways that technical assistance was being administered by other countries. I went to Israel, France, England, Germany, Sweden - about a three or four week trip. I wrote a paper. If you want to, you can attach it to this-

Q: Yes, we'd like to have it.

SPECTOR: It's called Expansion of U.S. Technical Assistance and Lessons Learned from Other Donors and a Proposal. I did learn a lot. It was and is a fascinating topic.

Q: What's the main thought you had in this paper?

SPECTOR: The main thought was to set up a new kind of organization for technical assistance, government corporation - to administer technical assistance that could use both government funds and donated funds. You'd call it a foundation, call it whatever you want. What I was really trying to do was one: make it permanent; two: get it out of politics; and be able to use different methods of technical assistance.

I found, for instance, that in Germany, the Germans used non-governmental NGO organizations or provide technical assistance. They hardly did any of their own. They did a lot of their technical assistance through churches. I'm talking about '66 though. It may have changed a great deal.

I found in Sweden that Sweden they were doing the great majority of their technical assistance through the UN. But the government found that the Swedish public didn't like that. The public wanted to be identified with their programs. So, when I went to Sweden in '66, they were beginning to set up their own bilateral programs. By the way, the language they used overseas was English because they knew very few countries could speak Swedish.

In Britain, they had a very interesting idea. We talked earlier about contractors hiring a person from the outside to do a job and not using persons from the inside. The British had found the same thing. So, their idea was that they would endow seats in various universities, especially the red brick ones like Sussex, so that, when the government asked for someone from that University, they'd get someone who was a part of the regular faculty and not somebody hired just for the purpose of going to do the particular project. It was a fascinating study.

Q: What about the French?

SPECTOR: I can't remember. But I do remember the Israelis. They very candidly said that they provided technical assistance primarily for political reasons - to gain international support. Secondly, for humanitarian reasons.

Observations on international development

Q: This is a good point to talk a little bit about what your own views are about what works or what doesn't work in technical assistance, what's the merits of it in the context of developments in foreign policy interests. Or do you want to reflect on that?

SPECTOR: I have reflected on it some. Let's go back to the whole subject of development - the word. Generally, I think "development," quote, is good. But I hate to hear the news that someone is going to develop a new piece of land, which means taking away some land and building some houses. But the way we're using the word means the development of a country. What's come into being the last few years that I think is very good is the idea of sustainable development: development that does no harm, that can be sustained and doesn't harm the institutions or the people or the environment. In that type

of development, technical assistance is a very vital part. Technical assistance is the way to help development. I think that we ought to go back to the old days of TCA - Technical Cooperation Administration. But call it "cooperation" and not "assistance" because I really do believe that it can be cooperative, that we can learn from other countries and they can learn from us. By the way, it can be used internally. It can be used within our own country. What we learn from other countries can be used in helping the ghettos and I think AID's doing some of that now. I tried to work on that about fifteen years ago, but you had no basis to go on.

With that, I think, there ought to be a profession of development assistance, "development cooperation" let's call it. Let's get away from that word "assistance." I think, in any of these cases, it's just common sense: you have to have respect for the people that you're working with, for their institutions, for their point of view, that you don't go in there and tell them what to do. You work with them to find out what you can learn from them. Harold Sideman, our buddy from the National Academy, who has done a lot of this, says that, "When I go to a country, I don't tell them what to do. I ask them what they're doing and what they want done." I think that's basic. I think it's worthwhile. I think it's good for the world. And I think it ought to be a permanent part of our U.S. foreign policy. It should be a domestic policy as well, that there be development cooperation in HUD on the ghettos and so on.

We might have fewer ghettos. To go on to that a little bit, Haven, I don't know to this day how much research is being done on what works and what doesn't work. My God, we've had over fifty years of governmental experience. It began in '39. There have been little projects and big projects. I don't know about the big stuff. I don't know about macroeconomics. But even there, there ought to be studies being done. Why is it that Hong Kong, Singapore, Formosa are developing like mad? Why is it that Latin America isn't? Why is it that the Philippines right next door is not doing as well as the other Far Eastern countries?

Q: What do you think?

SPECTOR: I think it's partially cultural above everything. Let's take those countries. I don't want to be pejorative here, but I think that the Western European Protestant ethic works. I think the Chinese ethic works. I think the Jewish ethic of hard work and education works. But look at a lot of these countries. I have to say it: a lot of these have the Latin Catholic ethic. I'm a great defender of the Catholics. I think the Franciscan Fathers were the great developers of the United States Southwest and of the West Coast. But there's been too much suppression of thought and of creativity. You know, the banned books and all that. I think Larry Harrison has some good ideas. That is a Hispanic-based culture. And a few thousand miles away, you've got Formosa. Look at the difference.

Q: Can you do anything about those cultures?

SPECTOR: Well, I think maybe something's being done, I guess. I don't know. Look at Ireland. Look at Southern Italy. They haven't developed as well, but Ireland's coming along now as they're taking on some of those old prohibitions. Ireland now has a woman President. They're taking on abortion. They're taking on divorce. Those things are happening.

End of interview