Background
  Born and raised in New York
  University of New Mexico

United Nations Relief and Rehabilitation Administration (UNRRA)
  Mutual Security Act

Bureau of the Budget

Department of Interior

Office of Management and Operations (OMO)
  Legislative provision of the Mutual Security Act
  Ambassadors’ responsibilities over heads of other agencies
  Mutual Security Executive Order
  Problems with Agriculture department

Bureau of the Budget multi-Agency Task Force 1961
  Management and vetting of Foreign Loans
  Group composition
  Richard Neustadt
  David Bell
  602 Report
Under Secretary of State, George Ball
Jack Bell
“The President’s Task Force on Foreign Economic Assistance”
Members
Mr. Labouisse

Department of State: Member, President’s Task Force
George Gant
Organization for Foreign Economic Assistance
Consolidation of conduits for foreign aid
Relations of conduits with State Department
Chain of command problems
Military assistance exclusion
Regional divisions
Regional Bureaus
Research and Development
Grant aid vs. loans
Agency for Economic Development (AID)
Organization issues
International Cooperation Administration (ICA)
Development Loan Fund
PL 480
Peace Corps
Discussions re independent agency
George McGovern
President Johnson’s decision
Food for Peace
Alliance for Progress
Relations with State Department
Alliance for International Purposes
Moscoso
Washington networking
Jim Mitchell
Executive recruitment
National Students Administration
President’s Executive Order re authority of ambassadors
Mel Spector
Operations abroad

Department of State
Foreign Assistance Projects

Kissinger Commission
Coordination of foreign assistance historically
Agency for International Development (AID)  
Latin America projects  
AID/Georgetown University projects  
Donor/donee view differences  
General comments on problems

[Note: This transcript was not edited by Mr. Barrett.]

INTERVIEW

Q: This interview of Richard W. Barrett is under the auspices of the U.S. Foreign Assistance Oral History Program of the Foreign Affairs Oral History Collection of the Association for Diplomatic Studies and Training. My name is Melvin Spector. Richard, why don't you give us a little bit of your own background, and then we'll get into the Foreign Assistance Program itself. It's all yours, Richard.

BARRETT: My name is Richard W. Barrett; I was born in Mt. Kisco, New York on July, 1922. I graduated from high school in a town called Katonah, New York, and after completing high school, I went to work in a series of jobs including a bank. I was a reporter with the Louisville Times and I also worked for Dunn & Bradstreet. I ended up as an investigator with the United Nations Relief and Rehabilitation Administration in Washington, DC, where I met Mr. Spector and through him, a number of other individuals who have had prominent careers both in foreign aid and the diplomatic service. Through the help of Mr. Spector and some of his colleagues, I left UNRRA with a nice stipend and entered college at the University of New Mexico in 1945. I graduated 3 years later and returned to Washington as a junior management intern with the Department of the Interior, and subsequently became employed at the Bureau of the Budget.

After five years as an examiner in the Department of Interior agencies, I was transferred to the Office of Management and Organization (OMO), where I reported to one of Mr. Spector's old colleagues, Scott Moore. One of my assignments at OMO was to clear provisions of the Executive Orders that delegated the legislative provisions of the Mutual Security Act. Particularly, one that had to do with the role of the ambassadors with respect to their responsibilities over the heads of other agencies in the country to which they were assigned. These provisions had been included in the Mutual Security Executive Order to give some sense of coherence to the growing number of agencies overseas. When I got to OMO, as I remember it, these ambassadors were in effect in charge of all members of the U.S. Government except the military command. This country, had been challenged by the Department of Agriculture on the grounds that the Agriculture attaché, previously a part of the Department of State, had been transferred to the Department of Agriculture under the provisions of a reorganization plan and that having them report to the Ambassador who Agriculture determined was an employee of the State Department
was in effect countermanding that reorganization plan without going through the necessary procedures. I mention that now because it comes up later when we were putting together the legislation for AID and also because it puts my introduction to the Foreign Affairs field in perspective.

The next major effort that I was involved in came about as a result of the provision again of the Mutual Security Legislation that had been introduced, as I remember by Senator Fulbright. It was to the effect that the President, called upon by the President, as I remember the language, to have a study made of the foreign economic activities and report of the Federal Government and to submit recommendations that would lead to better coordination of those activities to the Congress the following year, which turned out to be 1960. After a good deal of negotiation and lobbying among the agencies involved, principally the Treasury Department, which at that time had a considerable impact on the foreign assistance activities through its regulation of foreign loans, and to a lesser extent the Department of Agriculture, it was decided that rather than have the study conducted by an outside firm, as possibly could have happened, that it should be done inside the government. Among all of the agencies involved, theoretically the only one that could be non-partisan, if you will, was the Bureau of the Budget. I remember specifically the meeting that led to that decision which was held in the Bureau of the Budget, and I remember specifically that the representatives of the NAC (National Advisory Council) which was the unit in the Treasury Department that looked over all the foreign loans was adamant about having them do the study rather than anybody else. I recall that the State Department representative at that meeting, one Graham Martin, stood up and said, "Do you mean to tell me that you don't trust the management arm of the President of the United States to conduct this study?" That held the day, and the decision was made to have the study done by an inter-agency team chaired by or under the direction of the Bureau of the Budget, and I was given the job of sort of supervising that team.

This occurred in Spring of 1960, and a team was assembled and we went about our business of conducting surveys and interviews with all of the agencies which were involved in the economic activities of the U.S. Government overseas, at that time being primarily the ICA, the State Department, the Development Loan Fund and the Ex-Im Bank. Also, because of new activities, the Department of Agriculture, which at that time was heavily involved in the Food for Peace Program, and the Department of Commerce, also were represented on our little task force. We finished our work towards the end of the summer and the early fall of 1960, in the midst of an election year. At that time, this subject had a certain amount of heat. The question was what did we do with our recommendations, and to whom would they be made?

The decision was finally made that we would keep the report in draft form so that we would not in any way tie the hands of the incoming administration. This decision was proposed by the new administration's advance team of Neustadt and Bell, who had taken up residence at the Bureau of the Budget. Richard Neustadt and David Bell, both of whom were representatives of the incoming administration and assigned to the Budget Bureau to begin work. The report, the 602 report, finally ended up with suggesting three
or four alternative ways to better administer the foreign economic activities. One of these became the basis for what the administration intended to do in this area when it came to power.

The 602 report was important because it did become, theoretically, a basis for early attempts at deciding what to do with the conglomeration of agencies that were involved in so-called foreign economic activities. I personally expected that the Bureau would continue to have a leadership role, since interagency organization was one of its primary functions, but directly after the new administration took office, the then-director of the Bureau of the Budget, Dave Bell, gave that assignment to the Under Secretary of State, George Ball.

**Q: Early in 1961.**

BARRETT: Early in 1961. Several months went by while Ball... and I remember only that George Springsteen and Robert (inaudible) were involved in trying to come up with some sort of an organization solution. In the meantime, appointments were being made to the key positions, for example Frank Coffin as head of the development loans, George Ball as Director of security assistance and the Peace Corps, under the direction of Sargent Shriver. All appointments were being made with Henry Labouisse, who was the director of ICA. This, of course, was bound to complicate the problem of merging any of these agencies, because they were again building up their own constituencies and their own power centers within the new administration.

Finally, I have been told it was a suggestion of Jack Bell, then the Chief of Staff for Douglas Dillon, suggested that the President appoint a task force to deal with the issue. The recommendation was accepted, and the President did in fact put together a commission. The official name of the commission was "The President's Task Force on Foreign Economic Assistance." Mr. Labouisse, the director of the international cooperation administration, was named as chairman, and he had three assistant chairmen, I guess; I don't know what their title was. One dealing with the program aspects under the nominal direction of Frank Coffin, but really, being done mainly by Max Milliken, who was on loan from MIT; a second dealing with developing the legislation that would be submitted to the Congress under the direction of a lawyer by the name of Ted Tannenwald, and a third to deal with the organization issues under the direction of George Gant, who was brought to Washington on loan from the Ford Foundation in New York City.

I was out of the loop on most of these activities, and really was not involved from the time early in the administration when this whole issue was given to Ball, up until the time Gant was brought down from New York to work on the organization. At that time, the assistant director of the Bureau of the Budget, Ken Hansen, because of my background on the 602 study, detailed me to Gant to help him work on the organizational problems, and I departed the Bureau of the Budget for the State Department, where I spent the next three months working with George. I was personally out of the loop from the time that Ball was
given the primary assignment to develop the administration's proposals in this area, and
the appointment of George Gant as a member of the President's Task Force. I recall that
one morning it turns out in April, I was called to the office of the Assistant Director Ken
Hansen, who told me about the development of the Task Force and the fact that a Mr.
George Gant had been brought in to work on the organization side of the task, and that he
had been impressed with the work that we had done on the 60 study. He had requested
someone connected with that study to be assigned to him to help flesh out whatever the
administration was going to propose, with respect to the organizational aspects of the
package. I was delighted, and that afternoon had my first interview with Mr. Gant. He and
I became, as far as I was concerned, close rather quickly, and for the next three months, it
seems to me, were in daily contact from roughly nine o'clock in the morning until roughly
nine o'clock at night, when I would deposit George in his hotel room at the old Fairfax
Hotel.

As I remember it, the principal issues that we had to deal with from an organization
standpoint, were first of all, how many, or which, of the various organizational entities
involved in foreign assistance would be brought together as part of a single agency. The
goal here, as enunciated by the White House staff, was to put as many of these activities
in one agency as possible.

Q: What were those agencies, as you recall?

BARRETT: As I recall, the ones that we were concerned about were, of course, ICA, and
the Development Loan Fund as being two principal conduits through which strictly
economic aid was funneled. A third piece was the Military Assistance Program, which
had always been closely associated and had been actually coordinated with the whole
package under the Mutual Security Arrangement. Food for Peace, with PL480, was just
beginning to burgeon, and the newcomer, of course, was the newly-established Peace
Corps. And then another one was the Ex-Im Bank. Those, as I recall it, were the principal
agencies that we were to look at as possible candidates for inclusion in a single agency.

The second major issue was, which of course had plagued this effort from the beginning,
was the relationship between whatever we came up with and the Department of State.
This, of course, ranged all the way from making new efforts an integral part of the State
Department, or all the way over to having it totally separate, and one can imagine that
each of these had its own proponents and that opinions on this subject were highly
charged.

A third issue that we had to come to grips with is another one that had plagued the
organization of foreign affairs agencies, whether or not the line, if you will, of
responsibility in the chain of command would run through those sub-units concerned with
geography as opposed to those units that were concerned with various functions
associated with the enterprise.
Of these issues, I guess one had been decided really before the task force got started, and that was that whatever came out, the new agency would not include military assistance. I think, as I remember it, that the decision in this regard was made because it was felt that the military assistance tended to overshadow the purely economic assistance. As I remember, there was also agreement as far as Gant and myself were concerned, almost immediately, that we preferred or felt relatively strongly that the line of authority in the new agency would follow the geographic pattern. In other words, as Gant used to call it, the operating vice president of the new enterprise would be in charge of four regional bureaus, one for Latin America, one for Asia, one for the Middle East, and another for Africa.

We were certainly in tune with the White House thinking on this, particularly as expressed primarily by Ralph Dungan, who throughout was our main conduit in the White House, and as far as I know, probably the only one over there that really was concerned with this whole issue. Dungan, I guess harkened back to his days in the Budget Bureau when he worked in the International Division. Others tended to think of ICA as primarily concerned with the traditional activities of Agriculture, Education and Health in a myopic way. They tended to be on the side of the more macro-economic thinkers of development, expressed by Milliken and Rostow, and tended to think in country terms rather than in functional terms. I remember that Ralph always referred to ICA as "chicken farmers." Part of our job was to overcome the strong professional ties that had developed, particular in Latin America, along these particular disciplines. [ed note: ICA at that time was organized by function with regional offices having a secondary role.]

In any event, it was clear early on that Gant and I both agreed, and would continue to agree that the guts of the new organization would be in the four regional bureaus, and that personnel and activities connected with the various technical professions would remain relatively in a staff capacity or in a resource capacity, but not involved in developing and directing and managing the programs to be carried out overseas. So the issue, as far as Gant and I were concerned, became one of determining the number and composition of the non-geographic units in the new organization. As I remember, we had one for technical advice that really picked up the old technical professions, one on innovations, and then we had a program office. We had the usual array of administrative offices, and I guess we had to have something in there for Food for Peace, which I'll come back to later.

I guess the one innovation, and Gant particularly was extremely strong on that, was to add something in the mix that would deal with research and development. Gant came from the Ford Foundation, and having been the head of their program in Pakistan, (incidentally while Dave Bell was the Ford representative in India,) and having come also from the Tennessee Valley Authority, where he was at a very tender age the administrator of TVA, and protégé of Lilienthal and Platt, and having an academic background, was terribly interested in this and felt that we could not know enough about the development process and how best to support and promote it. This, of course, would be echoed later on by Milliken and Rostow, who had done some pioneer work in trying to develop some sort of a methodology for the development process.
I recall that we were able to get something in it at the start, but I don't think that in subsequent events it proved to be the case, this aspect never got the attention that we had hoped it would. There were several peripheral issues that consumed a lot of energy that never fully influenced the actual organizational structure of the new agency, but they had a lot to do with the balances that we had to put in as between various functions and our emphasis on the geographic bureaus. One of these, of course, was whether AID assistance would be provided primarily by grant, which, of course, had been the primary mechanism used in ICA, or whether the aid would be funneled primarily through loans, which of course had been the primary mechanism used by the Development Loan Fund and the Ex-Im Bank.

The difference between the two not only had something to do with the nature of the relationship between the United States and its clients or the countries it was attempting to aid, but it also had a lot to do with internal procedures. And this distinction became very important in terms of staffing the new organization, and in the way that its internal operating system developed after the agency was put together. And, of course, eventually what happened was that when AID finally was authorized and started, it immediately inherited people who had worked on both sides of this issue. In other words, the ICA people who were used to grants, and the bank people, who were used to making loans. There are distinct differences that remain today in terms of how people from these backgrounds tend to look at their responsibilities. The grant people out of that background, by and large tend to stay in touch with the project after it is funded, and are interested in the operation and fulfillment of the project, whereas people who came primarily from the bank background tended to emphasize or put most of their emphasis on the approval of the project, up to the point of its funding, and would be less concerned about its implementation.

A corollary issue that ran through a lot of our deliberations had to do with a distinction between assistance that emphasized the old technical assistance approach, meaning that technical assistance projects that dealt with health and education and agriculture - was the principal one - and which emphasized a project that dealt with improving the technologies in these areas. This was in contrast to those who were primarily concerned with the total economic impact of U.S. aid in a particular country setting, and who tended to think more in terms of budgetary assistance at a very high level, and were not interested so much in the nuts and bolts of how schools are run, and such. As I say, these were things that were going on, and there was a lot of talk about them, and there were people who felt very fervently on one side or the other side. They did not influence to a very great degree the organizational issues, where the main fights, if you will, were really between those, as I have already said, who were more on the technical assistance side and wanted to see the line authority running down functional lines and those who felt that country programs and the regional approach were should be dominant. As I say, Gant and I both agreed with the latter approach, so it never was really an issue in our particular deliberations.
Now, to change the subject somewhat, I guess the next set of hurdles that had to be overcome was the question of who was in and who was out, which of the existing agencies would in fact be folded into the new agency, which at this time was unnamed, and which ones would remain out and on their own. Starting from the obvious, it's obvious that the nucleus of the new organization would come from the International Cooperation Administration, and the Development Loan Fund. They were the obvious first two to be combined.

Then came the question of the Ex-Im Bank, which we solved rather quickly, as I remember, not being appropriate to include it, but recognizing the necessity, or the desirability, of forming closer links with Ex-Im as a potential supporter for foreign assistance but certainly not as a part of it. Then came a question which the people in both ICA and the Development Loan Fund felt rather strongly about, was who would actually be responsible for allocating the PL480 local currencies, and for that matter, the agricultural commodities that generated them.

And then finally, there was an issue which I will go into in greater detail concerning the newly-established and just then forming Peace Corps, which of course was most hopefully allied with technical assistance in all of its aspects. The PL480 issue was complicated by the fact, or would have been further implicated, I think I would put it that way, if in fact George McGovern had decided to assume his role as a part of the Department of Agriculture as opposed to creating an office within the Executive Office of the President.

As an interesting byway on this, when I was still at the Bureau of the Budget, shortly after the administration, I guess during the transition stage, I was asked informally to go up and brief McGovern, who had been offered a position as Food for Peace coordinator, as to whether he should create a position in the White House or whether he should become an Assistant Secretary of Agriculture, and I, of course, recommended to him, I said, "You'd better go where the money is, and where the authority is," which was at the Department of Agriculture, “and you'll have some impact on the program. If you go in the White House, you're going to end up making speeches and you have no real power or authority except whatever you might personally influence.” The then-Senator McGovern didn't take that advice, and chose instead to create a position in the White House, and he ended up making speeches.

As I remember, it was sort of fuzzy, but we did provide for operational responsibility in the new agency over the Food for Peace but left the actual budgetary authority, which is where the real power is, with the Department of Agriculture. But it kind of came off as a standoff, and who did we put in? Again, a lot of these functions in process depended upon who assumed what job. As I remember, it was Humphrey's sister.

Q: It was Humphrey's former AA. I can't remember his name....
BARRETT: But in any event, as things worked out, my remembrance is that the Food for Peace thing didn't become quite as big a problem as we expected that it might become, and this left us with the really hot potato, what to do with the Peace Corps. And, oh, I forgot, that there was also another separatist movement, on the part of the newly-established (I keep thinking of Latin American Bureau, but really was called the Alliance for Progress). There was some question about whether or not that would be part of the U.S. Government, let alone part of the State Department or AID, and again, you have to remember that we had some fairly highly-charged people already in positions of leadership

Q: Theodore Moscoso.

BARRETT: Theodore Moscoso, the former governor of Puerto Rico, and a very charismatic and powerful person in his own right, who had been named to head up the Alliance. Here again, we find the great speech writer, Mr. Goodwin, and Graham Martin, eventually wanting it as part of his operation, and everybody of course wants to be independent. They were no exceptions.

Q: I can add from my own experience that Ted had direct lines to President Kennedy and met with him once a week personally.

BARRETT: So we had that one to contend with, and then, of course, the Peace Corps was under the President's brother-in-law, who also felt that that should be as far away from the government as it possibly could get. The Alliance did not pose that much of a problem; really, its program was a carryover of the two elements that had already become the nucleus of the new organization, mainly the Development Loan Fund and the ICA. So it was a relatively simple matter just to in effect call the head of the Alliance for Progress also an assistant administrator of aid for Latin America and that at least initially took care of that problem.

Q: I will talk later about the attempt to make the Alliance a separate office of the AID, but please go ahead....

BARRETT: The most memorable of any of these negotiations in my mind was the one associated with the Peace Corps. On this one, both Gant and Dungan were adamant that the Peace Corps had to become part of the new agencies, if in fact it was going to be an across-the-board assistance effort. It was going to have to become part of the new agency. And, of course, Shriver and his people were just as adamant that they would be as far away from the new agency, and for that matter, the State Department, because there was also the issue if it wasn't in the new agency, should the Peace Corps become part of the State Department. And they were just as adamant on their side that it would not be in either one of those camps.

Dungan, as time went on and we got to a point where we had to close the issue one way or another, Dungan developed a plan whereby he formulated some 10 or 15 or 20
questions that one could ask that related to the Peace Corp’s independence or the appropriateness of the Peace Corp’s being part of the new assistance agency. They were all worked out so that if the answer was yes to the questions, it meant that it would become part of the new agency. And then Dungan arranged a meeting in his office, as I remember, in the West Wing of the White House, the old Sherman Adams office, and on our side I was there, Gant was there, and I think we had three or four other members of the President's task force on one side of the table, and Ralph sat at the head of the table, and on the other side of the table was the Deputy Director of the Peace Corps, Warren Wiggins, and their general counsel.

Q: Bill Josephson.

BARRETT: Bill Josephson, two people against, I don't know, we had 10 or 12 people on our side of the table. Ralph proceeded to ask the questions, and we would make our point, and Wiggins would make the Peace Corps point, and we got through the list of questions, and of course, as far as Ralph was concerned, they all got answered in his person by the yes.

Q: Yes, that it ought to stay, it ought to be in the new agency?

BARRETT: Yes, every one of those questions was yes in favor of the new agency, so we concluded by saying, well, it’s clear after asking all these questions that the Peace Corps will be part of the new agency. Wiggins then said to Mr. Dungan, “Well, my boss is out in Africa making an inspection trip, he knows about this meeting, and I will have to report to him on the outcome, and what shall I tell him?” And Ralph said, “Well, tell him the decision has been made to include the Peace Corps in the new assistance agency.” And Mr. Wiggins said to Dungan, "Who shall I tell him made that decision?" And Ralph said, "Tell him the White House made that decision." Mr. Wiggins said to Ralph, "Who in the White House should I say made that decision?" And Ralph finally said, "Well, tell them I made the decision." And with that, the meeting broke up. Subsequently Shriver returned to Washington, and of course, he was going to appeal the decision, and the interesting thing to me at the time, and I guess now that I think I understand it, he did not go to the President, he went to the Vice President.

Q: Lyndon Johnson.

BARRETT: Who at that time was Lyndon Johnson. And Lyndon Johnson overruled Mr. Dungan and the Peace Corps remained as an independent agency and was not included in the final package that was sent to the Hill.

So that, anyway, pretty much ended the problem of who's in and who's out, and so as it finally came out, the new agency was an amalgamation of ICA, the Development Loan Fund, stronger lines with respect to Food for Peace. The Alliance became sort of a hybrid where the head of the Alliance, Mr. Moscoso, was head of the Alliance for international purposes, remembering that the Alliance for Progress included as a part of its overall
functioning other countries than the United States. And also, Mr. Moscoso, we solved that by making him an assistant administrator of the new agency, which I will talk about in a minute in terms of its name; he became the head of the regional bureau for Latin America in the new agency.

There remained then the larger issue of the relationship between the new agency and the Department of State. This, of course, had gone back and forth since the days of the Marshall Plan, Point 4, and all the successions of foreign assistance agencies, and again, feelings ran very high on both sides -- probably stronger on the part of the people in foreign assistance, in terms of their desire to be separate from the Department -- than the department's desire to have it become part of the Department. Foreign Service people generally would like to have been able to have an influence and an impact, but did not want to take on the responsibility or accountability for actually managing the program. There was a good deal of discussion on this subject back and forth, pro and con, and of course, there was a related issue of the personnel system, under which the agencies in the past had functioned and under which they would function in the future.

It's an interesting note that during the time we were working on putting together AID, Fritz Mosier, another of he UNRRA alumni, was putting together a report on Foreign Service personnel matters for another commission chaired by former Secretary of State Christian Herter. It is interesting that even at that time, Washington is a small town, since a number of the players at the time we were working on AID I had first encountered back in the days of UNRRA, Fritz Mosier being one, and, of course, Mel Spector being another, and we, therefore, were able to do things that we might not have done if we had not known each other previously. This kind of networking was extremely important in those days, and I have a feeling that it's not the same any more. I just don't think that those same kind of relationships exist.

Anyway, the issue as far as in and out of State is concerned, was finally resolved by putting into law the language that the administrator of the new agency would report to the President and the Secretary of State, and this at least kept the Secretary of State reasonably happy, and also provided enough autonomy for the new agency to keep most of its people happy. The fact of the matter is that I don't think any administrator of the new agency, any AID administrator that I'm aware of, ever used the line to the President, except to the extent that he wanted to keep himself separate from undo influence by the State Department.

Now having resolved the issue of whose in, who's out, the relationship of the State Department, and the general outline of the internal makeup of the new agency, the question we were now faced with was getting approval of our work up to that point from, it turns out, Labouisse's task force, initially. By that time, the task force had grown to some 50 individuals -- somebody called it a Congress -- and it included both people within the government, and I'd be hard-pressed to name all of who they were, and also people from the outside, including, I think it was, the Chief Executive Officer of Sears & Roebuck. Of course, while people may feign a certain amount of naiveté or inexperience
when it comes to substantive matters, everybody is an expert on organization, and particularly on organization charts.

So our first step was that we had a subcommittee of the task force that we had to go before, and as I recall, one of the issues that came up was a question of management control. We not only had the four major regional bureaus, but the chart also showed a considerable number of functional and staff and administrative offices all reporting to the administrator. I recall that somebody on that subcommittee argued that there were too many people reporting directly to the administrator and somehow we had to break it down, because the span of control was beyond what anybody could handle, and I recall the guy from Sears said, “No, that's really not the problem, we've got an organization chart with 500 of our stores all reporting to the head CEO,” so that question disappeared rather rapidly, and we finally gained approval of the subcommittee. Then we had to go before the whole task force, and of course, the only thing that we had to show them was an organization chart, and you can't have an organization chart without a title, so that meant that that was the last thing -- in order to draw the chart, we had to figure out something to put up at the top.

This was the day of the acronym, so I think we started working on the name of the organization backwards, to try to figure out an acronym, and my remembrance is that the expert on this was an old friend of mine who was by then working in a staff capacity with us by the name of Howard Ball, and we started with AID and worked our way back to the Agency for International Development. It is not technically the greatest in the world, because there's a certain redundancy, because people always talk about the AID Agency, even though the A in AID stands for Agency, so that doesn't work too well. But be that as it may, we put that at the top of the organization chart, and I went before the congress, and as I got started...

Q: You mean, the congress with a small c,.....

BARRETT: Yes, before the congress with a small c, the task force, the group of some 50 individuals, and I remember that Labouisse stopped me at the beginning and said that he noticed that the title of the organization on the chart was Agency for International Development, and he asked if anyone in the group had a better alternative. And of course, given the amount of time involved, they didn't, so Labouisse said, "Alright, that's the name of the agency." So that's how AID got its name, kind of peripheral.

Two other issues that tangentially came into being at the time that are not represented on the organization chart itself, one had to do with staffing the new agency. This, as you can imagine, since a lot of people's careers and their positions and their futures were involved, in how that chart looked and what it entailed, in terms of people moving from one organization to another, was a subject of considerable concern to a large number of people. In addition to that, there was the usual jockeying for positions in terms of leadership roles, and the whole question of when and how those jobs would actually be filled kind of overlapped with the evolution of the agency itself, and in many, many cases,
positions and assignments to positions kind of governed how we were going to deal with
the organization.

The interesting footnote on this aspect of the operation is that there was no formal
resource within the President's task force to deal with this personnel issue as a whole,
except in the broad systematic term, and that part of the personnel business was handled
by two other individuals that Gant appointed, Jim Mitchell; was he part of the Civil
Service Agency at that time? He was the former head of the U.S. Civil Service
Commission.

Q: Former member of the Civil Service Commission.

BARRETT: And Fowler, who worked with the World Bank, so I didn't have too much to
do with that; they came up with their recommendations about the same time that Herter's
commission came up with theirs, and we had a lot of recommendations floating around as
to how to deal with the system under which personnel would be employed in the new
agency. That did not really get finally resolved until almost at the tail end of the
legislative negotiations. The question of the executive recruitment was being handled by
an individual by the name of William Bentzer, an old college chum of Ralph Dungan, and
who in effect had that kind of back channel to Dungan on almost everything that was
going on, but who was particularly interested in who was going to be in the power
positions in the new agency. And the interesting thing I found out later was that both
Bentzer and Dungan had been in leadership positions in the National Students
Administration, and had been involved in an early arrangement in Latin America whereby
NSA had in fact a contract with CIA, with the Agency, in terms of organizing students in
Latin America. And so that they went back a long way, and Bentzer carried on quite an
operation in terms of the people that would actually end up in leadership positions in the
new agency.

I had my own try at that game, which turns did not succeed, because we were getting
down toward the end. The whole business about who was going to run the place was
getting fairly frenetic, and I became convinced that if events were to take their normal
course, that that might end up with Mr. Labouisse. I have nothing against Mr. Labouisse,
but I just didn't feel that he really had the kind of, well, what can I say -- he wasn't strong
enough, hard enough, tough enough to really bring the new agency into being, and I
stewed over this. I finally one night got up my courage, and I decided that as I had known
Dungan too, that I ought to call Ralph and let him know my feelings, and that I also had
very strong feelings that the ideal person to bring this new organization into being was
really its architect and father, Mr. George Gant.

And I did -- I screwed up my courage and I called Ralph, and I told him that Labouisse
was not the right person, and I didn't know what other recommendations or what he had
been hearing from Bentzer or anybody else, but that I felt the ideal person to run this
thing, and it was terribly important that somebody in the very beginning who really was a
manager as well as a person in foreign assistance, would be Gant, who after all, had run
the Tennessee Valley Authority, and who had also had field experience in the development business with the Ford Foundation. Ralph, of course, was noncommittal, but appreciated my call, and I got to work the next morning, and as usual, George and I would meet at nine o'clock, or whenever I got there, and George would tell me what he was going to do during the day, and I would tell him what I was going to do, and we'd make sure that we didn't overlap too badly. Then it was our custom that we'd get together at 6 o'clock at night, and he'd report to me what he did, and I would report to him what I had done, a very marvelous arrangement, because I always knew where he was.

Anyway, we were sitting there with our morning meeting, to figure out what our agendas were, when the phone rang, and as George picked it up it was clear that it was Mr. Dungan on the phone. As it turned out he was asking George whether he would accept the position as the head of the new agency. Then my heart leaped, or stopped, and then started again, and then stopped again, when George respectfully declined. And as he hung up the phone, I lit into him, and George said, look, if the President had called him to sweep the floor he would have swept the floor, but that he would not become a candidate against someone who he ostensibly was working for. And that was the end of that, at least for the time being. There is an epilogue to this, that I may or may not tell you about later. Anyway, that was about all I had to do with the personnel business per se, at least at that time.

The other issue that came up, and I guess it came up primarily as a result of the work that I had done on trying to figure out a role for the ambassador, and having that be very mushy insofar as there was not going to be another Mutual Security Executive Order. So the question was, what was the role of the ambassador with respect to other U.S. agencies in the field, how would that be carried out, and what would be the authority for it being carried out in the future? And while it was not part of my responsibilities to say, I suggested, and actually drafted, a little bit of legislative language to the effect that the President could assign to the ambassador any role that he wished with respect to the other agencies, vis-a-vis the other agencies, without respect to any other laws or regulations that were on the books.

Q: Be a part of the Mutual Security legislation?

BARRETT: No, it would go up as a part of the AID legislation, which would supersede the Mutual Security Act, and this would give us legislative authority to do what we had been doing, in effect, with Presidential authority in the past. This proposal came to the view of the people of the White House, and the answer came back, no way, we're not going to ask the Congress for authority to do something we already have the authority for. But in terms of firming up that position I don't know whether it was Ralph, or Jimmy Fry, or who, or me, or anyway, among the three of us, we decided that we would have the President send a letter to all ambassadors indicating that he held them responsible, that the ambassador was his representative vis-a-vis other U.S. agencies as well as the country to which he was assigned. And this letter in due course was signed and was sent to all ambassadors, and has been treated since then as though it were an Executive Order.
Q: And has been reconfirmed, I think, by other Presidents ever since.

BARRETT: I had occasion to test it out when later on when I was working for the State Department and working on an inter-agency programming system in Venezuela. When I went to the military attaché there and asked him questions and wanted information about his staffing patterns and his budget, and so forth, at which time he said that he was sorry, but that he couldn't give me that information, and I said why not, and he displayed his manual which was signed, of course, by the Secretary of Defense, and I had a copy of the ambassadorial letter in my pocket, and I said, “Well, I've got one that is signed by the President,” at which point the attaché said, “Well, why don't you come back tomorrow,” and I went back the next day, and he had consulted his superiors in Washington, and they told him to give me any information I wanted. So I had a chance to see that the letter, in fact, did have some effect in the field.

The other related issues to all of this that I particularly was interested in, and I'm not sure where they came from. But I had always envisioned the assistance program, as a matter of fact whatever we did in another country, that again, I saw the country as the unit of operation, the client, if you will, and that the resources that we had available should be coordinated in some fashion in support of whatever objectives we had with respect to that country. And my word for that was that these things should be programmed, and in some way, programmed in concert. This became important at this time because several of the management people in the new agency were concerned about the procedures that would be used by these regional bureaus in order to direct programs in the field. And if we were to overcome the past where programs had been delivered either by an individual grant that would be approved and would govern the application of resources, or a loan, and for example, you could have a loan supporting part of the operation in the field system and you could have a technical assistance program furnishing people to work along with the financial resources that the loan had, how do we pull these things together? And my recollection was that the person most involved in trying to figure that out was Bill Parks, who had worked close to the Marshall Plan and was then working for ICA. I remember that Parks was running around trying to find a definition, or create a definition, for a project that would, in fact, pull together those two kinds of inputs. And I was then working with him by saying that we could then add up all the projects into something called the country program. And that the country program would then govern the application of all of our resources through a system of projects, and that would form the basis for budgeting in the new agency and also would be the line of control.

I'm not sure why, but for some reason, again I guess it was the old boy network, Mel Spector, who shared or contributed or was also of a like mind -- we all thought that was about the only way to go -- and we figured it wouldn't do any harm if we had a little help. Since we all also knew Fritz Mosier, who was in charge of the Herter Commission's deliberations, we prevailed upon Mosier, who in fact was able to get a piece that talked about country programming in his report. We also got a section in the AID legislation that talked about country programs, and in relatively high terms. But in any event, it's in the
documentation in both places, both in the legislation and in the Herter Commission report. That became important later on for both of us, since we both became involved in what turned out to be a not-too-productive effort to follow that initiative up as a part of our work with the State Department.

As it turns out, without going through all the reasons why, I continued over the years in a variety of ways to be associated with AID. I spent five years in the State Department, working on several projects that involved foreign assistance in one way or another, and then much later in my career. In order to fill out a tenure with the Federal government after leaving it for awhile, I came back to the Agency for International Development, and I was surprised that I hardly recognized the organization that I had left.

**Q: In what year do you recall it was?**

BARRETT: 1985. Prior to that I had done a little piece for the Kissinger Commission that reviewed the history of attempts to coordinate foreign assistance through the years, and this later became part of the papers that went into the Kissinger Commission report. And when I came back to AID I did some work for the assistant administrator for Latin America, which at that time was Dwight Ink, and his deputy, Malcolm Butler, in terms of, believe it or not, continuing with sort of a program budgeting effort that by now we were calling management by objective. Therefore, I had a chance to see things anew and after leaving that position, worked with Georgetown University in a number of AID-financed projects, so that I've seen the beast now from several different levels. I think I come away personally with several feelings about the whole field and about the business.

I compare it in my own experience with times that I had working for John D. Rockefeller III as a philanthropist. If one wanted to use the figures of speech as “donor” and “donee”, which would cover both fields, I think that that relationship is doomed almost from the start. My experience, direct experience with AID projects, which has been at the field level, which has been confined to a couple in Latin America that I know about, leads me to the conclusion that -- a generalization that like all generalizations is probably fraught with all kinds of misconceptions -- but that eventually what you end up with is that the donor is always giving resources with either explicit or implicit strings attached to it. In other words, you don't either in philanthropy, or certainly you don't and should not if you are giving away U.S. taxpayers' money, do it without a purpose in mind. And by the nature of the beast, that purpose is usually something that is not being done, and therefore needs resources in order to have it done. On the other side of that coin, it's my experience that the recipients of the resources very often either feel that what the donor wants done is not important, or actively opposes having it done, and so right off the bat, you are in a very unhealthy situation, where expectations on the part of the giver are not matched with the expectations on the part of the receiver. And this makes for difficult situations that in most of the cases I know about, we never really overcame. Where that leads me, in terms of how the developed world should help the undeveloped world, I'm not quite sure, but it seems to me that the present arrangements are just awfully, awfully difficult -- they want our money, but they don't want to do what we would like them to do with it.
Q: May I interrupt? But if you're going in with a project where they have said we need, say, an improvement in our judicial system, why would they object to you giving them advice on how to improve their judicial system?

BARRETT: Because they really didn't mean it in the first place, and that's because they're either pressured because of the diplomatic state, or they feel that somehow they could get something out of it. And the one that I worked on in Honduras was absolutely that way; they had no interest for example, as one of the condition’s precedents was that they would set up a merit system for appointing judges; they didn't want to do that, but some of the other things, some of the money that was involved, or the hardware, they loved the hardware, they wanted the computers, but....

Q: Maybe they wanted the experts so they could get the computers?

BARRETT: Exactly, no intention whatsoever of putting in the merit system. And I've seen the same thing in Jamaica. I've seen the same thing in a number of other Latin American countries, where you're sort of pushing at the wrong end, and it makes for very, very difficult human relations, both for the recipients and the donor.

The second impression that I have with AID is that in terms of putting country programs and progress together -- I saw this when we were trying to do the management by objectives work in Latin America -- is that we really have extremely extravagant and overdone expectations about the impact that our input can have in terms of the country situation. And most of the conventional wisdom on doing evaluations for AID projects, certainly in Latin America and I think around the world, is those objectives and goals are usually of changes in total economy or the total government structure of that country, and it's ridiculous.

We try to assume that we have enough knowledge about how economies and governments and cultures operate to understand what we're doing and what kind of effect it might have and then to assume that we're having enough of an input to actually influence the direction that a number of these countries take. I think this is a huge mistake. So I think that I was always impressed with sort of a German approach to foreign assistance, which, they looked around and if they saw a project that they thought was a reasonably good project, that they did it. They measured success in terms of the completion and the operation of that particular project, rather than to trying to draw a link to the macro level of development of the country. I think we’ve gone a little overboard on that.

And thirdly, looking back to those early days when Bill Parks had to go over to the Bureau of Reclamation of the Corps of Engineers to try to define a project, it seems to me, now that I’ve been at the other end after how many years, that Parks created a Frankenstein. The project process has taken over. The normal way things really happen in AID is that you have now a document that you do to find out whether it's worth doing a
project paper, and then you contract out to do the project paper with a gang that takes months to do a project paper, then you decide whether or not you are going to approve the project, and then you worry about where it gets in line in terms of the budgeting process, and you can get the money for it. Often years having taken place and then when you finally get it funded, you go down and you try to work out some sort of agreement with the host country. Then you usually, if AID has been milked of all its people, you ordinarily let another contract with another outfit to actually implement the project. Then, by golly, you send those people down there and the first thing that they do when they get there, if they're smart, is get together with the host government and re-design the project so that it's realistic.

But the whole process keeps a lot of people busy, and develops an awful lot of paper, and there are several things that go into the culture that I could go on at great length. One has always been that AID -- and God knows there's good reason to think that now -- has always considered the people who work there as being part of a transient agency. And with all of the insecurity that entails, and fully expecting that within two years or three years, they will be gone, they're never really a part of the government in a permanent sense. I think in part that this results also from the fact that AID through the years. It's amazing that it's retained as much of a program as it has - really has a relatively small and selective constituency as far as government programs are concerned. They don't have farmers, and people behind them; they don't have a constituency in our country; they have the foreign affairs people, and to a certain extent, I think the best thing they ever did was line up with land grant colleges. And they now have all of the PVO's who, when you and I, Mel, were working, we considered to be nothing, now are terribly important. But by and large, they do not have a heavy constituency, they don't have the unions behind them, by and large, they don't have agriculture, except for PL480, they don't have an identified constituency in the domestic scene.

And I think that that also contributes to a great deal of anxiety on the part of people that work there, particularly in the leadership positions, in the agency. Finally, AID and foreign assistance activities generally have been always been the subject of extremely negative work on the Hill; the positive stuff doesn't get the headlines. And there are many examples of things that are perfectly reasonable that come out as being totally negative, and on which AID gets very defensive. For example, when we were sending diet supplements to places in Southeast Asia that were on the verge of starvation, and these supplements were going in not as diet aids, but as nutritional aids, the story comes out that AID is sending diet pills to starving people. But that is a good example of the way probably the press and people out in the hinterlands tend to see the efforts. And again, I don't know how one gets out of those binds, but I think that it's had a tremendous effect on the culture of the people that work in most foreign assistance agencies.

Q: Speaking on personnel, you and I were at a lunch just recently with a retired distinguished ambassador who told us that he thought one of the problems with the State Department was that people were assigned to countries for too short a tour. How do you feel about AID people?
BARRETT: I think that probably is less a problem in AID than it is in State, because I think that AID in my experience tends to keep people longer in country. Unless there's a very deliberate effort on the part of the central office to do something about it, they tend to rotate within the region. So that in Latin America you'll find still that most of the mission directors there have had Latin American experience. And I also think that because of the kind of work that they do, I mean, you come back to Washington, you're still working on the same project, because you work on project papers. It's a different kid of an operation than it is in the State Department, where your contacts and your ability to deal with nationals. Then the other thing in both cases is the constancy, or the longevity of the Foreign Service national, and in many cases, they are the stabilizing force for both State and AID.

Q: It's certainly true, well not so much at State as it is in AID and in the Peace Corps. In fact, if it weren't for the foreign service nationals in the Peace Corps, you'd have no continuity, since Peace Corps staff can only work there five years.

BARRETT: And then you have the other thing going in AID, which is good or bad, depending on how you want to look at it, is that you have a relatively limited and distinct number of contractors that are doing most of the work, so they provide a great deal of continuity.

Q: In fact, I think they're the ones who now have the institutional memory...

BARRETT: They do!

Q: ...that should have been in AID.

BARRETT: Because the main thing, the big part of the process that AID is doing now is pushing paper, and the big part of the operation that is actually is being done in the field is being done under contract. So it's the contractors, and they maintain a certain amount of continuity.

End of interview