Interview with Willis C. Armstrong

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

ASSISTANT SECRETARY WILLIS C. ARMSTRONG

Interviewed by: Charles Stuart Kennedy

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Q: Mr. Armstrong, we already have an interview with you concerning your early time in Moscow as a clerk translator from 1939 to the beginning of the war. I would like to go back just a bit to fill in. How did you become involved in foreign affairs?

ARMSTRONG: I was a graduate student at Columbia University and my field was Russian history. The reason my field was Russian history was that I made a living by teaching at the Horace Mann School for girls, a progressive school. They decided the curriculum should include a unit on Russian history, so I had to learn Russian history. I got interested in it and the professor got interested in me, and said, very simply, “All you've got to do is learn the Russian language and you're off to a good start, because there's an enormous amount of material available for research.”

So I went out to Berkeley, California, for the summers of 1936 and '37 and studied Russian, an intensive course, and did some more private tutoring and did research in using Russian sources in '37, '38, and '39. I became the world's best expert on the condition of the privately owned serfs in the province of Yaroslavl in the middle of the 19th century. Any time you want to hear about it, I'm good for two hours.

Library of Congress

My dissertation topic was “The Petrograd Soviet in 1917.” My professor thought it would be a good idea if I went to Moscow to do research at the Lenin Library. He arranged with the State Department for me to take a clerk translator's job which had become vacant because it had been occupied by two Soviet nationals, both of whom had been arrested in the purge and had disappeared. They paid me $2,000 instead of paying two Russians $1,000 each. I also got an apartment.

I went over in the summer of '39. The war began in September. Nobody had any time for any scholarly research thereafter, so I never finished my doctorate. After the war, I decided I was more interested in diplomatic activity and government work than I was in being a scholar, anyhow. So I gave it up.

Q: I'd like to get a feel for the time. This was in the 1930s when you were doing this. There was a feeling at the time that maybe Russia was the wave of the future. I think many people, not necessarily people to the extreme left, were looking at the Soviet Union with rose-colored glasses. In the education you were getting, were you getting this or was it a fairly objective type of study of the Soviet Union?

ARMSTRONG: The education I had at Columbia was a totally objective exercise in the purest kind of scholarship. We had a distinguished history faculty there-Krout, Carlton Hayes, Allen Nevins, Geroid Robinson, who was a professor of Russian history. There were several others who were absolutely topnotch in their field-Schuyler, for example. I took courses with all of them. They were marvelous professors.

Of course, the sentiment in New York in the thirties was one of horror at Hitler because of the very large Jewish population of New York. I'd say a third of my students at the Horace Mann School were Jewish, and I knew a lot of their families. There was also the business about Spain.

Q: The Spanish Civil War and the Loyalists versus the Nationalists.

ARMSTRONG: The Spanish Civil War. The liberal thing to do was be on the “Loyalist” side, and the Russians were on that side. The true nature of the Soviet system began to come through when they had the purge trials. So the left wing tendency among liberals and quasi-liberals tended to be counterbalanced by all the stuff about the purges and the trials. I'd say in public opinion there was a balance in New York in those days, although a lot of good liberals went to parties for the Spanish Republicans and that sort of thing. I'm afraid I did, too. I was still learning.

There was an outfit called the Teachers Union, which I belonged to, which was, in principle, not a bad idea, since teachers were pretty much underpaid and worked pretty hard for not much. That certainly was the case during the Depression. The Communists within the Teachers Union tried to take over the Columbia University chapter, and those of us who did not want to see it taken over had to arm ourselves with a great deal of parliamentary knowledge and be prepared to stay up all night, because otherwise they would count on a dwindling of the moderately interested and be able to control in the end. While I was there, we managed to keep the Columbia chapter from going Communist. I don't know what happened to it after that. Later the Teachers Union was in a lot of publicity for left-wing tendencies.

When I was interviewed in the State Department by Loy Henderson, who was then the head of the Russian desk, he asked if I had ever joined anything that looked to me as if it had Communist connections. I said yes, and told him about the Teachers Union. He said, “You got the point?” I said, “Yes, I got the point.” This was essentially my security clearance. (Laughs)

Q: Your initial impression after you got to the Soviet Union, was it one of, “Yes, this is what I learned about,” or was it, “Boy, this is different than what I expected”?

ARMSTRONG: It wasn't that different, no. I had been teaching the subject myself to the high school kids, and I had tried always to be balanced and factual. I certainly was aware

there was no such thing as civil liberties. I was certainly aware that people were terrified of the purges, certainly aware of the institution of the NKVD. I certainly was aware of the rather rough nature of Soviet society. At the same time, I think I had an impression that they were making more economic and technological progress than I discovered they were. In other words, it was a more backward society than I had really expected. Things weren't that bad in Moscow, but outside the cities, the minute you got out in the country, you saw that rural Russia had changed damn little in the course of several hundred years.

Some people in New York who had a girl in the school where I taught had some relatives in Moscow, and they said, “When you get to Moscow, I hope you'll look up our relatives. We'd like to send them messages.” I said, “Sure. Give me the address.” But I had no intention of doing it unless I was sure it was all right. I had enough consciousness of the situation.

The day after I got there, one of the Soviet employees in the embassy approached me and said, “I understand that people in New York have cousins here who happen to be friends of mine, and they are living in terror over the prospect that you might get in touch with them.”

I said, “Tell them not to worry. I have no intention of doing it unless I am sure it is all right.”

He said, “All right. Fine.”

I said, “Give them my greetings.” We had a realistic view in the embassy of the nature of Soviet society.

Q: I'm going to make a skip, since there is an interview which is already part of this collection concerning what led up to our entry into the war. I'd like to move on at this point to your role after war was declared, December of '41.

ARMSTRONG: After the Russians entered the war and after we got into the war.

Q: Yes. At that point, what were you doing?

ARMSTRONG: I came back from Russia by way of the Trans-Siberian, 14 days in a second-class car.

Q: This was when?

ARMSTRONG: This was the summer of '41, in June and July. I got to Vladivostok, was there two or three days, got on a Japanese ship, and went to Japan. I spent seven or eight weeks in Japan, unable to get out, along with a group of other Americans from the Moscow embassy. Because the U.S. had frozen Japanese funds, and the Japanese had frozen our funds, and because we couldn't travel on a foreign ship under Foreign Service regulations, we had a long unit. There was no American ship stopping in Japan because of the freeze. So we sat and twiddled our thumbs at the Imperial Hotel or up at the embassy every day, to ask if anything had happened. The administrative officer, it so happened, was Chip Bohlen, the former First Secretary in Moscow for whom I'd worked. We had a nice time in Tokyo, more or less. It was a great change from Russia. It was clean. But we got tired of sukiyaki.

Then we got on a Japanese ship and went to Shanghai, were in Shanghai another couple of weeks or so, and then an American ship came into Shanghai which had come from the Philippines. It was, in fact, a requisitioned liner which was then a troop transport, so we came home on that. I got into San Francisco in October, after leaving Moscow in June.

I came to Washington and looked around for something to do. I found that because I spoke and read Russian, I was in considerable demand. I guess I must have had about four or five different offers from different agencies, each of which said it was the most important agency in town. I never heard of some of them again. It was a time of mushrooms sprouting in the bureaucracy.

I joined the Lend-Lease Administration because the Russian section was being run by John Hazard, now still a professor at Columbia, who was an old friend and who had Russian experience, having obtained a law degree from Harvard and then a law degree from Moscow Juridical Institute. He's famous in the field. He was organizing a group of people to help the Russians with war supplies. Russia was not eligible for lend-lease as yet, but we were working on their defense orders and using up their money until it ran out, which didn't take long. I started there in October 1941. I stayed with that program up until the war was over.

My function in the Lend-Lease Administration was to supervise the handling of shipping, transportation. Altogether we moved about 1,750,000 tons of stuff in four years. We had terrible times because of convoy difficulties on the North Cape route in 1941-42. I remember one day we lost 22 out of 33 ships. That was PQ-17.

Q: It was the worst naval disaster. This was both submarine and air attacks.

ARMSTRONG: In the springtime, the Arctic ice pushes out and the space between the North Cape and the ice is narrowed. The daylight begins to be greater, so you're running a great risk. The Germans had a base at Kirkenes in Norway, and they just blew us out of the water. I lost several friends on that route. I'd just sit here and organize convoys. We worked fantastic hours, six and a half days a week, and about ten hours a day. Well, we were not being shot at. Anyway, they did need somebody who spoke Russian and who could deal with the Soviet Purchasing Commission. So I was liaison with them and I became informally the coordinator of Russian lend-lease shipping.

The senior people I worked with included John Hazard, the civilian head of the office; our boss was General Wesson, a former Chief of Ordnance. We had a connection with General James H. Burns, General Sidney Spalding, General York, of the U.S. side of the combined Chiefs of Staff. They had a brief from Harry Hopkins to kind of keep an eye on the Russian program and make sure it worked all right. So I found myself working for three

or four generals, and I was conscious of my draft eligibility. They said, “Don't you worry about it. Either we get you commissioned and have you assigned back here, or we can get you deferred.”

I said, “Which is easier?”

They said, “It's just easier for us to go on having you deferred if you don't mind not wearing a uniform. It doesn't make any difference to us whether you wear a uniform or not. You're doing your stuff.” I had very fine relations with our generals, and in that process, developed a great respect for senior officers in the U.S. Army. All of these gentlemen were absolutely splendid people, people of good judgment, good skills, and fine human beings. This was a very worthwhile experience in that context of getting to know senior military types. I've always continued that to respect, and have a lot of friends who are military people.

In the work, you got to know the Russians quite well, because you were dealing on a bare-bones basis with guys who were working hard, who weren't professional diplomats, but were shipping experts or electronics experts or machine tool experts, armor guys in the military or aircraft guys or whatever. This has all been well described in a couple of books, very well done, which I have and which I can refer anybody to. They are accurate and good accounts. Some of us who worked on this helped the authors.

Q: I'll ask you, when you get this transcript back, if you'll put a note on that.

ARMSTRONG: Yes. They're very good books and absolutely dead right. The record is there. [Jones, Robert H., The Roads to Russia: United States Lend-Lease to the Soviet Union. University of Oklahoma Press, 1969. Herring, George C., Jr., Aid to Russia. Columbia University Press, 1973.]

Q: How did you get involved with the Department of State?

ARMSTRONG: At the end of the war, all the time we were in Lend-Lease, our liaison with the Department of State was very close. I made sure of that myself because I knew the guys on the Russian desk-Elbridge Durbrow and other people. Because I'd served in Moscow, they weren't worried about me. They recognized that I had the Moscow experience and was on the same wave length, and that we would do what we had to do for the Russians. As one of my Russian colleagues said, “We are allies through misfortune.” And we were. So the State Department Russian people counted on me and John Hazard to keep them informed.

We also worked very closely with the research side of the OSS, where the chief of the Russian unit was Professor Robinson, who had been my professor at Columbia, and where several other guys who had been graduate students of his were working. So the Russians assumed that all of us in Lend-Lease were intelligence officers. Well, we were. (Laughs) Why not? That's the way they worked, so we worked that way.

Q: At the end of the war, Lend-Lease was cut off rather abruptly. How did this react with our Russian counterparts, the ones you worked with?

ARMSTRONG: The way it was handled was very bad. This was the fault of Averell Harriman, who was ambassador in Russia at the time. He came back here. I remember a great meeting in which a lot of people in the State Department and we from the Lend-Lease were talking about what we should do. In Lend-Lease, we had urged people in the State Department to please come to some kind of an agreement with the Russians as to how we would terminate Lend-Lease. They were absolutely stalled from doing anything about post-war planning with the Russians by the White House, because Mr. Roosevelt felt he was going to do it all himself, and he and old Joe would get along all right and they would settle everything after the war. Therefore, no significant preparations were made during the latter part of the war for any kind of a transition out of lend-lease, which

I regarded as atrocious. Mr. Roosevelt played his own hand and paid no attention to intelligence about what the Russians were really like.

The interesting thing was the Russians had committed themselves to go to war against Japan within, I think it was, 90 days after cessation of hostilities in Europe. We had a special military program running for them to help supply or resupply their Far Eastern armies. We moved that entire program-and I was personally responsible for this-on Russian-flag ships, many of which we had lend-leased to them, right through Japanese waters in the five months before the Russians went to war with the Japanese. I remember the funniest requisition I ever cleared for military supply was 300 tons of hay for the cavalry in the Far Eastern Soviet armies. We declared hay a Lend-Lease article and sent it along. We also sent tanks, small arms, ammunition, and all kinds of stuff like that, right through Japanese waters on the Russian-flag ships.

Therefore, there was a problem. We needed to stop the Lend-Lease in Europe because the war was over. But the other program had to go on because the war wasn't over, and the Russians had a commitment to go in. But Mr. Harriman got awfully upset about this and wanted to cut off everything that went to Russia in Europe. He did it in such a categorical fashion, and everybody was so scared of him, since he was the ambassador, that it got too literal. Orders went out to turn around the ships en route. This was improper, because under Lend-Lease regulations, once you put the stuff on a ship, no matter whose ship it was, the other government accepted the goods. You couldn't just automatically reclaim them. Obviously, you could turn an American ship around, but you couldn't turn a Russian ship around. These were mostly American ships on the Atlantic, because Soviet-flag ships were in the Pacific run.

We turned the ships around and then everybody blew up. The Russians said, “You know, we expected you to cut this off sometime because it would be foolish to continue, but there was some other way of doing it besides stopping the hook at the dock in Philadelphia,” (where we did most of the loading.) We sat there with ships half loaded,

other ships dithering around the middle of the Atlantic. Do we go back? Do we go forward? What do we do? Finally, of course, what we did was let the ships continue if they were en route. Finally we finished loading the ships that were on berth. We didn't put any new ones on berth on the East Coast. Then we got into a discussion of what we should do about this stuff that was on order, that hadn't been delivered.

I found myself negotiating an agreement with the Russians at the end of the war, about September or October 1945, in which we agreed to give them the stuff that was on order, and they agreed to pay for it. It took a bit of arguing, and they tried an end-run, which was to go to Mr. Crowley, who was the head of the Lend-Lease Administration-or then the Foreign Economic Administration as it had become by then. They bypassed me. Hazard had left to go off and help prepare the Nuremberg indictment. General Wesson had left to go back into retirement. I was in charge of the office, and I was doing the negotiating with the Russians.

I've never forgotten this particular incident, because it tells you something about how American officials sometimes act. The Russians called me one day and said, “Have you had any new instructions?”

I said, “No, I don't have any new instructions.”

They said, “Because we saw Mr. Crowley and he said he thought it would be all right if we loaded the stuff that was available, because we have an agreement in principle.”

I said, “Thanks very much. I'll let you know if I have any new instructions.” So I bee-lined over to Mr. Crowley to make sure I didn't get any new instructions.

He said, “They said they had some ships in the harbor.”

I said, “That's not true. They don't have any ships in the harbor.”

“And the agreement was nearly complete.”

I said, “It's not.”

He said, “I said yes, they could take this stuff. You have a problem with that?”

I said, “Of course I have a problem with that. You're talking about $350 million worth of stuff, and we have no agreement.”

He said, “Well, they seem like nice fellows.”

I said, “They're not nice fellows. They're Soviet officials. They're out there to do you in if they can.”

He very reluctantly finally decided, “All right.” So he had three senior Russians in, a lieutenant general and two deputy ministers or commissars or something. He said, “That agreement I made with you gentlemen the other day, that you could load this stuff, Mr. Armstrong has some problems with that. I'm going to ask him to go in the next room with you and tell you what his problems are.”

So I went in the next room with the three Russians for an hour and a half. I sat there and said, “No, no, no, no, no.” They all out pointed me in rank and age by yards and yards and yards. They finally looked at each other and kind of grinned, got up and shook me warmly by the hand, said, “Zdorovo!” (Good for you!) And within a week we reached agreement. They respected me. They thought Crowley was a fool because they wouldn't have done what he did. They respected me because I said, “No, when we have the agreement we'll ship the stuff.”

I mention this because it's an illustration of the way a lot of senior people, not only in our government, but at the moment in Western European governments, are somehow suckers for the Russians. They think, “Well, they're nice guys. Sounds reasonable.” They give them

preferred rates on credit and all kinds of stuff. I don't understand it at all. (Laughs) I think I do understand the Russians pretty well.

In 1945 I was kind of at loose ends, when the War Shipping Administration asked me to come over there. I went there in October, as soon as I got through with the Russian agreement. The Lend-Lease functions got transferred from FEA over to the State Department. I went to War Shipping and took over the shipping of UNRRA goods to Eastern Europe. We had a big program for Czechoslovakia, Poland, Belo-Russia, and the Ukraine. It was the same kind of thing I'd been doing as liaison with the Russians. I got acquainted with the Poles and Czechs, making sure that we got the cargoes delivered. I did that until '46.

In 1946, Winthrop Brown, who was the chief of the Division of Commercial Policy in the State Department, asked me if I'd come over and be advisor on state trading. My friend John Hazard had moved over to that position, and then he went back to Columbia. So I went over and took his position in the economic side of the State Department. In one capacity or another, I stayed with the Economic Bureau from 1946 until 1958.

Q: I'd like to get your impression of the state of economic expertise in the State Department in this time. The State Department has often been accused of not paying much attention to economic problems, especially in its earlier post-war years. How did you find this?

ARMSTRONG: During the pre-war period and during the immediate post-war period, we had Herbert Feis, who wrote a fine book called As Seen From E.A., which is economic affairs. He was a solo type. He didn't have any staff. Because of the work done on post-war planning in the government during the war in State, Treasury, and elsewhere, particularly State and Treasury, the State Department staffed itself up pretty well in the period right after the war. I went over there in '46. We had a substantial commercial policy division. We were busy writing a draft charter for an International Trade Organization.

We had a substantial financial unit which was busy working with Treasury and other people on development of the Bretton Woods institutions. We had people dealing with telecommunications, shipping, and all kinds of things at that time. We had an Under Secretary, Will Clayton, who certainly was very knowledgeable in the area and very influential in the government. We had an Assistant Secretary named Willard Thorp, who is still alive, incidentally, and might be worth interviewing. He lives in Amherst. He's about 90, but when last heard of, he was in good form. He and all the rest of us ran, I thought, a pretty good, tight ship in the economic area from '46 on, when I was there.

The problem was usually interdepartmental rivalry. The Commerce Department was always seeking to assert itself, but it never did so with any great degree of skill, nor did it have anything like the quality of people that would be required to do economic policy work. So the State Department had the leading role. We also had a major lead in getting trade agreement authority from the Congress. This went right on well into the Dulles era.

Q: From 1953 to the sixties.

ARMSTRONG: Yes. I remember helping Mr. Dulles get organized for presentations to the House and Senate on new trade legislation, in which he did an absolutely outstanding job, although it wasn't his bag, but he was such a good lawyer that he could take anybody's case and go and win it. (Laughs) I was very amused when we went through all this with the House, and three or four weeks later we went around to see him and said, “You've got to do it again with the Senate. All you've got to do is what you did before.”

He said, “I've forgotten all about it. You'll have to start all over again.” He was a good lawyer. He put it out of his mind and took the next case. I enjoyed working with Dulles a bit later when I was briefly Acting Assistant Secretary in 1957.

I was in commercial policy for quite a while, and thereby got involved with the Russians again. Beginning in 1948, we began to put export controls on goods of security significance desired by the Russians. The Berlin blockade was on, and the Cold War

had started in earnest. This time I became the State Department's point man on keeping stuff away from the Russians, in which we had an enormous amount of interdepartmental ruckus, which still goes on with Commerce, Defense, CIA, everybody in the act.

In 1950, I helped organize COCOM, which is the international coordinating committee on security export control. I really had a major role in getting that set up in 1950 in Paris, and getting Allies to go along. I did a lot of traveling to Europe in 1948 to '50.

Q: What were your personal dealings with other countries in setting this up?

ARMSTRONG: We had the advantage of the Marshall Plan, which was starting at the same time. Originally the authority to handle negotiations on this with other European countries was in the Harriman office in Paris. We played a supplemental role, but they were the active negotiators, and they had to be helped on occasion. On occasion, we had to find out what they were up to. There were some problems.

Q: For example?

ARMSTRONG: An officer of ECA, Economic Cooperation Administration, and I went to Europe with the first COCOM list. This was in 1948. We'd had it agreed that some things should be embargoed, and some things should be watched quantitatively. The problem was to sell it to the Europeans. Before the hostilities opened, so to speak, we'd brief the boys in Harriman's office. We briefed the embassies in Paris and Rome. Germany was not yet a country.

Q: Still under occupation.

ARMSTRONG: Still under occupation. So we figured the U.S. could control that. I went to Sweden to talk to our embassy in Stockholm, because we were afraid that the Swedes would have a lot of high-technology stuff, and they were neutrals. We went over it with people in the embassy in London. We also did something with the Swiss and the Italians.

The actual negotiation with the Europeans wasn't all that difficult at that time because the capacity of European industry to produce this sort of thing was pretty limited. They said, “Yes, right, sure.” In other words, the problems all came later when they developed the capacity to sell things that we didn't want them to. Because the U.S. had the only capacity in those days. I helped nurse that along for quite a while, quite opposite to the Lend-Lease business.

Then in 1950, the Korean War started, and I got put into commodities. John Evans and I were in charge of an office which had the funny name of Economic Resources and Security. It was a combination of commodity work and the East-West trade function.

Q: Why were those two combined?

ARMSTRONG: They don't fit, but it happened. In other words, they had put them together partly because of John Evans' experience in commodity work and mine in COCOM work. They threw that together for a couple of years just before the Korean War started. So the minute the Korean War started, we got very busy. We didn't have much trouble on COCOM once the war started, and then we set up a special list called CHINCOM, to keep things away from the Chinese. But then because of what happened to the commodity world as a result of the Korean War, we found ourselves busier than hell with commodity problems, and the trade control function was assigned elsewhere.

Q: Could you describe what were commodity problems?

ARMSTRONG: I'll tell you the one in which I became an expert, namely rubber. There were commodity study groups set up under the U.N. Rubber had been a contentious issue because during the period before the war, it was controlled by a cartel. There wasn't any synthetic rubber; all rubber was natural. It all came from Indonesia, Indochina, Malaya, Thailand, Ceylon, and Burma. It was controlled by something called the International Rubber Regulation Committee, with quotas like OPEC. They wanted to maximize the yield, so they controlled production. Of course, it was controllable because those territories

were colonial and the properties were owned by the British or French or Dutch. Our rubber manufacturing industry has always hated the cartel, and they dealt with them in a condition of controlled hostility, because they were the monopolists of the raw material. The tire manufacturing companies in this country were very competitive in those days. None of them made a great deal of money. They were all scrapping for a market at the lowest raw-material price they could get.

We had set up the synthetic rubber industry during the war, as had the Canadians. It was a pretty good industry and produced good products. It was all government-controlled, government-owned. What we saw in the State Department was the need to get the synthetic plants into the hands of private industry so that we would not be in a position of having the U.S. Government compete with private enterprise in developing countries, which put us in a hell of a box. We had mixing requirements in the U.S., saying you had to use so much synthetic in your product in order to keep the plants going.

This was about the time Ceylon, Malaya, and Indonesia were becoming independent, or were independent. Even before they were independent, the Colonial Office of Britain did a bang-up job of defending the interests of Malaya and Ceylon.

We'd go to rubber meetings and there would always be two British delegations, one for British Colonial and Dependent Territories and one for the U.K., who frequently didn't agree with each other, because the U.K. delegation would be consumer oriented. I was supposed to be the chief consumer oriented delegate. I went to rubber meetings from 1950 to 1958, and I became well known in international rubber circles. I spent a lot of time and did a great deal of travel to Europe and Southeast Asia.

In 1956, I received a Rockefeller Public Service Award. I took six months off, and my project was to study the role of natural rubber in economic development in the area of Southeast Asia. So I traveled again to all the affected areas. I had also visited Liberia,

because we had one of our rubber meetings there. So my rubber meetings got me romping around the world in a lot of developing countries.

Commodity work, of course, fetches you up with developing countries. I also found myself going to a lot of Inter-American meetings in Panama, Brazil, and Venezuela. I became sort of a coffee expert. I also had some acquaintance with tin.

Meanwhile, what we were working on at home in the State Department, where I was, was trying to get the Congress to authorize the sale of the synthetic rubber plants to private enterprise, which we succeeded in doing. We got them all sold at good prices, and we took off all the mixing requirements and regulations, and said, “There they are. It's private enterprise. Go compete.” During the Korean War, the government went into the business of buying natural rubber, but we got rid of that as soon as the war was over.

During the Korean War we had to put a lot of pressure on the British to stop selling rubber to China, which they were doing from Singapore and Malaya. I tried to negotiate a preemptive agreement with Ceylon, which had then become independent, but we did not succeed. The Chinese bid more. On the other hand, I did negotiate such an agreement with Thailand. All their rubber came to New York.

Q: You were assigned for your first overseas assignment in 1958, to Ottawa as economic counselor. Had you joined the Foreign Service?

ARMSTRONG: I became Wristonized, as we used to say, somewhere around 1956. I had taken the Foreign Service exam for lateral transfer around '46 and '47, when I was in the Department as a civil servant. The trouble was, under civil service rules, I was in an economic position, but I'm not an economist. I never said I was. I'm an historian, a political scientist. I've got a smidgen of economics and a certain amount of common sense. But I was a bachelor and had a dependent mother. My father died when I was in college, and my mother was psychologically and economically dependent on me, and I didn't really

think that the Foreign Service was a good idea. But when it came to the crunch, it was the only choice to make.

Livy [Livingston] Merchant was ambassador to Canada, and he asked for me as economic counselor. With a 79-year-old mother, that was perfect, so my mother and I went to Ottawa in 1958.

Q: I have here that Wigglesworth was ambassador in Canada in '58.

ARMSTRONG: He came in '59. Livy was before that, and Livy was after him.

Q: I see.

ARMSTRONG: This involves also my wife. My wife was a Foreign Service officer, and she served in Madras, Prague, Montreal, Ottawa, and then in tariff negotiations in Geneva. She was in the economic bureau when I was, and that's how we met. She was later in BNA, which was desk for Canada, Britain, and Scandinavia.

Q: BNA stands for what?

ARMSTRONG: British Commonwealth and Northern European Affairs. It covered Scandinavia, Ireland, Britain, Canada, some pieces of the West Indies, and Malta. I was its Director for two years when I came back from Canada in 1962.

My wife, Louis, was involved in backstopping me, in effect, because she did the economic work in BNA. We became engaged between '58 and '59, were married in May of '59. So Louise, who had served five years in Canada, came back to Canada, lived there three more years as my wife. My mother survived until the autumn of '59.

Q: In those days Louise had to resign.

ARMSTRONG: She had to resign because of the rules. Her expertise on Canada was a great help at all times. I went there as economic counselor in '58. In 1959, Livy Merchant left Ottawa to come back to Washington and became Deputy Under Secretary for Political Affairs. Wigglesworth came. My wife had helped brief him in Washington, and we became very friendly with the Wigglesworths. He was a fine man and a good congressman, a very decent, sensible guy, but on the cautious side, which is all right. He and I had a very happy working relationship. He chose me as his number two when Tyler Thompson, who was number two, left to become ambassador to Iceland.

So I became DCM in 1960. Unfortunately, Ambassador Wigglesworth died in the autumn of 1960. He'd been a four-letter man at Harvard and thought he was indestructible. He developed phlebitis and didn't follow what the doctor told him. He'd come back from the hospital and seemed to be all right. I'd gone off for a week's holiday. I hadn't had any holiday all year. Louise and I drove down to New England in October and were on Martha's Vineyard when we got a call from the embassy-we'd been gone two days-saying the ambassador had been taken to Peter Bent Brigham Hospital in Boston by RCAF plane. We left immediately for Ottawa, stopping to lunch with friends in Lexington or Concord, Massachusetts. I called up and talked to him. He said, “I feel all right, but the doctors say there are some problems.” The next day he was dead.

We went on to Maine. I had a cottage in Maine, and we quickly closed the cottage. I drove all night to Ottawa to take charge. Suddenly taking charge of an embassy, with the ambassador dead, was an experience.

This was just before our 1960 election, and people said, “How long do you think it will be before we get a new ambassador?” I said, “It will be at least March and maybe April, because the outgoing administration isn't going to appoint anybody, and an incoming administration isn't going to make up its mind.” So I was charg# from October until about March or April of 1961, when Livy came back.

After he came back, President Kennedy had him doing all kinds of other things, going to Pakistan and Afghanistan and so forth. He didn't pay much attention to the Ottawa job because he had done the job before. He sort of said, “You do it.” So I did it. I'd known Livy during the war in Lend-Lease matters, one of the world's nicest people. We were very, very fond of him and his wife. We were very fond of the Wigglesworths, too. We still see Mrs. Wigglesworth. She married John Hollinter, an old friend whose wife had died. He had been a congressman.

Q: You are mentioning something here on Canada, with the ambassador coming back for a second time. This might be true in any case, but one of the Canadians' great claims which again came up during very recent elections they had up there was that the United States takes Canada for granted, we don't pay enough attention to them. Was this a constant refrain when you were there, or is this something fairly recent?

ARMSTRONG: Every refrain, including this one, that has been heard in Canadian politics is familiar to me. I've been on television in Canada and on public platforms and so forth. My response to that claim is, “How would you like it if we really gave you our full attention?”

“Oh, my God!” they say. “We couldn't stand that.”

Q: I'm never quite sure exactly what this means, because we obviously give our full attention to what's happening maybe in the Soviet Union. Let's go back to the time you were there. What did the Canadians want from us that we weren't doing?

ARMSTRONG: The whole time I was there, Mr. Diefenbaker was prime minister. He started out saying, “We're going to divert a lot of our trade from U.S. orientation to the Commonwealth.” That didn't fly at all. He was arguing about economic forces over which he had no control. The Canadians were worried about their excessive dependence on trade to the United States. It's a legitimate worry.

The second worry was American investment in Canada, which was responsible for their quite extraordinary rate of growth during the time, but which made a lot of nationalists unhappy. Diefenbaker was sort of a nationalist, but not really as bad as he sounded. He was a prairie populist. He could have run for office in Minnesota or North Dakota and made it without any trouble at all. He came from Saskatchewan, just over the border. Same framework, only he happened to be Canadian.

Canada had just done a big study under a commission headed by a man called Gordon. They always have going some big study by some royal commission, always examining their identity or looking at their navels or whatever. It produces quite a lot of fairly interesting stuff. If you just sit down and read all of it, you learn a hell of a lot about Canada. The study had just come out when I went there, and I didn't know much about Canada. I had been there on tourist trips and had Canadian friends, but I really didn't know anything about Canadian politics. And I learned. I got there the day Diefenbaker won his landslide, March 31, 1958. I watched the television all evening. I didn't know what I was looking at. So I became immersed in learning about Canada.

Then when I became minister, I was responsible for supervising the consulates; we had 11 consulates in Canada from St. John's, Newfoundland, to Vancouver, and I had to visit them a couple of times a year to see their operations and write the efficiency ratings and all that. So I got around in Canada and met people all over Canada. I felt fairly comfortable about it.

Canada-U.S. relations are very much sui generis. They want to be different, but they want to participate in our politics. They're very partisan about our politics. I remember going to an election-night party in 1960. It was neck and neck between Nixon and Kennedy. It got to be midnight, and nobody had won. We said, “We're going home. Got to get our sleep. I've got work to do tomorrow, you know.”

They said, “Don't you want to stay up and see how it comes out?”

I said, “Louise voted for Kennedy. I voted for Nixon. We're both reconciled to a victory by either candidate. We're going home and go to bed.” That's it. They couldn't understand that, because they were so passionately for Kennedy. If you told people in Canada that you were Republican, they looked at you as if you were some kind of monster. “What is a Republican? Why are you a Republican? You've always been in the Foreign Service.” I was a Republican because that's the way I felt about it. The state of Maine is my spiritual home, as my wife says, and that's the way I feel. I found this also in Britain, this wonderment at someone being a Republican.

Anyway, the things that bother Canadians are that they want to have everything the way it is in the United States, in terms of material comforts. Now they have it. In 1958, they didn't. The society has matured and grown tremendously. But the same nationalism is there. They have a problem of having an inferiority complex about the United States, and then they have a problem of having a superiority complex towards the United States. You never can tell quite which mode they're going to be in. They switch.

Q: The inferiority complex is because of size and power?

ARMSTRONG: And feeling neglected because they're alone on a continent with a great big power, whereas in Europe, there are a lot of countries.

Q: And on the superiority side, the qualitative thing.

ARMSTRONG: Quality of life and so forth. They used to talk a lot about the quality of life back 25 years ago, but it wasn't that great. Now it's good. It's first class. Lovely, clean cities, good medical care, no poverty, really, no slums, no underclass, very little crime, good gun laws. It's a delightful place to live, except when it gets too cold.

Q: Besides this sort of amorphous problem of dealing with the Canadian identity crisis, what were the major concerns that you had to deal with?

ARMSTRONG: The weapons crisis was the major one.

Q: What was this?

ARMSTRONG: Canada had been building its own interceptor plane, the Avro Arrow. About 1960, Canada came to the conclusion that there wasn't going to be any market for it, as the Canadian domestic market for an interceptor plane was limited. You couldn't get a long production run unless you could sell it to the United States or some other ally. The chances of selling it to the United States against competition from American aerospace companies was zero. So they decided to junk it and stop the whole thing. It was a courageous decision. It was the right one to make, but it was courageous. It caused a lot of nervous stomachs in Ontario, where the industry was located.

But the Canadian armed forces said, “Here we are, part of NORAD. What are we going to use for weapons? We've got to have interceptors.” This was in the early stage of ground-launched missiles. So they bought from us a batch of interceptors and a batch of Bomarc batteries, a short-range ground-launched defensive missile. They were to be located in different places. Of course, they were integrated with us in NORAD, and that agreement has gone on and on and been renewed and renewed. The armed forces of Canada and the United States are like that, very chummy, indeed. The Canadian armed forces' personnel are first class, highly qualified professionals and splendid people.

For the last two years of being in Ottawa, and for the two years I had the British-Canadian desk in Washington, a great deal of my time was taken up with concern about defense matters. I had started as economic counselor and suddenly I found myself primarily a politico-military officer, in addition to running the embassy and dealing with all the normal odds and ends. There's an enormous amount of trivia that goes on between Canada and the United States, and it takes up the time of the guys in the embassy. It takes up an enormous amount of time. You have questions such as, “Who arrested that Indian on the wrong side of the boundary?” and all that kind of stuff.

The trouble was that the Canadians accepted and bought these two weapon systems, but did not make provisions for the nuclear warheads to go with them. They said, “We're going to deal with that later.” And within the Canadian government, the defense minister was all for moving ahead and acquiring the warheads. There was a certain time interval available because it took time to get the equipment in place. But by about 1962, most things were in place. But there weren't any warheads. They were useless weapons, interceptors without weapons, and missiles without any warheads. Of course, because they're nuclear, it takes a special deal, special clearances for everybody that deals with it, a special deal all across the board.

The Canadians had people with clearances. They knew what they were getting into the armed forces. They were anxious to proceed, because who wants a weapon system that doesn't work? We had to be very careful about Canadian sensitivities because of another aspect of defense, which was overflight rights for SAC, Strategic Air Command. We had SAC bases in Newfoundland and Labrador, and SAC bases in the U.S., of course. What we needed was to be over Canadian air space on continual patrol, because that's the way you watched the Russians in those days, because they were airborne, too. Their big missile thing didn't come until years later.

Diefenbaker refused to make up his mind about taking the nuclear weapons, and Minister of External Affairs, Howard Green, was firmly opposed to any nuclear weapons or anything nuclear anywhere in Canada, overlooking the fact that Canada was a pioneer in nuclear energy and had a big uranium industry, big reactors and all that, and was selling nuclear equipment around the world, including to the Indians who went ahead and made a bomb with it. But Howard Green didn't want any nuclear weapons, and he was also anti-American, fundamentally. He'd never been to the United States until he came down to a meeting of the United Nations as External Affairs Minister. Can you imagine that? He grew up in Vancouver and had never been to the United States. He fought in World War I in Europe, but he'd never been to the United States until about 1960. Funny man. He

looked exactly like Grant Woods; American Gothic. I found myself, as charg#, doing a lot of business with him. He was always a nice enough person, but he had his convictions on this subject. He was very firm.

Mr. Harkness, who was Minister of Defense, was up the wall because he had weapon systems that wouldn't work. How could he carry out his defense obligations with weapon systems that wouldn't work? As I said, we didn't want to be too rough on them because we were concerned to protect our overflights which was, in our minds, more important. The situation ground on, and the Cabinet was deadlocked. The problem hadn't been settled when I left Canada in the summer of 1962.

After I was back here about a year, the issue really sharpened up. General Norstad, who was retiring from SACEUR, visited Canada and made a speech. He said, “It's pretty stupid to have weapon systems that don't work,” some very commonplace remark like that. That led Mr. Diefenbaker and Mr. Green to say that Norstad was intervening in Canadian domestic affairs. The deadlock went on and on.

Diefenbaker made a statement in the spring of '63, in which he undertook to explain to the Parliament what U.S. policy was on nuclear weapons. He had it all wrong, upside down, inside out. It was atrocious, this statement, totally unconscionable. So we in the embassy in Ottawa, and we at the Canadian desk decided we ought to clarify our position. We just could not let his remarks stand. So we drafted a statement which said Mr. Diefenbaker was wrong, but politely, and the way it was was like this. We said, “We've been waiting for the Canadians to come up with a proposal to put warheads on these weapons, and they have so far not produced anything that will work.” (They were talking about two keys, keeping them in the U.S. until you needed to fire them, and all that.) Ours was a stern statement, but fair. It was correct. We decided instead of putting it in a note (Canadians often ignored our notes), we'd put it in a press release. So we issued a press release, and all hell broke loose in our relations with Canada. Mr. Harkness became convinced that he never was going to get his weapons, so he quit the Cabinet. The Diefenbaker

government collapsed. They had to call a new election. Lester Pearson won and threw out Diefenbaker. I'm the guy who wrote the press release! I went back the other day and read it. I thought it was pretty good.

Q: Why did we do it in a press release rather than a note? Just for the reader, a note would have been delivered to the foreign ministry and would have been purely a government thing, whereas a press release went all over.

ARMSTRONG: It was responding to a public speech, so it was not inappropriate to respond to a public speech with a public statement. Also we did this in view of our record of dealing with the Canadians on notes. Ordinarily you don't publish notes when you give them. It's not considered good form. You may later, but you don't do it then. Our experience on this had been very poor, because the Canadians frequently would lie about having not received any notes from us. In my personal experience, I sent them a note from the embassy back in 1958, when they were proposing an amendment to their trade law. I said, “We'd like your assurances that what you do with this trade law will not be a violation of your commitments under GATT.” A perfectly legitimate note. When the minister was questioned as to whether he'd received any representations from the United States, he said, “No, we haven't heard a thing,” implying that we didn't see any problem.

So the press all came over and landed on me and said, “What the hell's the matter with you guys? Why don't you protest? This is terrible legislation!”-which it was.

I said, “Well, we did. We sent them a note.” So I took the complimentary heading and closing off the note and gave a copy to the press. We made our point. You have to do this every so often, because they like to bury unpleasant things.

Q: In other words, for somebody looking at this, for each country you have to vary things in a certain manner, and you found that the Canadians, for all the openness and all, had a selective memory in dealing with what they wanted to release to the public.

ARMSTRONG: Yes, and also under that particular regime, a very close-hauled kind of nationalism, which was substantially added to by Ed Ritchie, who had served here as minister, and who was later here as ambassador. He was the Senior External Affairs Under Secretary I had to deal with when I was there. I had known him for years. I thought since he'd served here he'd be helpful. I found he was not. He's a very genial guy, but I found that things weren't always as genial as they had seemed. The Canadians have a very good Foreign Service, very highly qualified, very competent, and very good people. But when they're in negotiations, they're tough as nails. This idea in recent talk in Canada that they got done in by us in the free-trade agreement is nonsense.

Q: You're talking about the trade agreement which was quite a matter of controversy in an election which was held about a week ago, in which the side in favor of basically a free-trade agreement with the United States, the forces there won on an election that was pretty much based on whether or not to have this agreement.

ARMSTRONG: It was. The opposition was outrageous in its campaign.

Q: I used to meet a man from the State Department who was involved in negotiations, talking about the Canadians putting them through the wringer every time because they're very tough negotiators.

ARMSTRONG: They are very tough, indeed. They're as tough as anybody I've ever encountered, and they're also very knowledgeable. They know the detail right down to the ground. I've kept in close touch, and my wife and I have done some work for the Atlantic Council and published a couple of things on Canada within the last ten years. We were very interested in this. My wife just did an article on this for a newsletter which I was reading this morning. In it she said that the French Canadians were very important in the election, because Mulroney got 63 out of 75 seats in Quebec. The French Canadians have their identity problems vis # vis the English Canadians, not vis # vis us. So they're a leavening factor in the situation. Americans and French Canadians always get along fine.

Q: How was it when you were there? You were there before the French Canadians found their soul, in other words, before they fully blossomed forth as a confident power which sort of got rid of the yoke of the Catholic Church and of British business.

ARMSTRONG: I thought it was high time when they did it. I was all for them. For example, I belonged to the Rideau Club, which was a downtown number-one club in Ottawa, and I found, after I got in as a diplomatic member, they had no French Canadians and no Jews.

Q: My God.

ARMSTRONG: In the year of our Lord 1958, they had no French Canadians and no Jews, and they're across the street from the Parliament. Now, of course, things have changed. I used to have a little fun. For example, Lou Rasminsky, who was deputy governor of the Bank of Canada, was a friend of mine. I'd take him there to lunch. He couldn't belong because he was Jewish. He later became Governor of the Bank of Canada and, of course, did become a member. I used to take French Canadians there and I used to take the Israeli ambassador there. I thought the club policy was outrageous. The way Anglos talked about French Canadians I found shocking. Every so often I would tell them so. They would then turn around and criticize us for the way we treated black people. It was kind of amusing sometimes, but the Anglo Canadians can be terribly stuffy about the French Canadians.

I remember calling on the lieutenant governor of Prince Edward Island as part of my wanderings. A nice guy. It was in the middle of a lot of uproar about the French in 1961. It hadn't really started yet, but it was beginning. He said, “You know, my view about this is to let the French go. To hell with them. You'd take us in, wouldn't you?” Well, you know, what's the minister in the American embassy and the charg# d'affaires going to say in response to a question like that?

Another thing I was going to mention about the time I served in Canada was the Kennedy visit, which was a major political event. I think I've covered the warheads issue. But the Kennedy visit is related to the election of 1963, also. Kennedy came in May, I think it was, of 1961, his first visit outside of the United States as President. I managed the visit because I was number two in the embassy. Livy Merchant was supervising and always there if needed, but I did the pick and shovel work with the staff. The mechanics all went off smoothly enough. It was all right.

But Mr. Diefenbaker had liked General Eisenhower very much. They were of the same age group. He felt comfortable with Eisenhower. I remember seeing him off when he came down to sign the Columbia River Treaty. He had his own plane to take him down, a government plane. I went out to the airport in freezing weather to see him off. I had a nice chat with him and Mrs. Diefenbaker. She was a lovely woman. He was comfortable with Eisenhower. Kennedy was half his age. I think he considered Kennedy a young squirt. Kennedy was abrupt, rough, and he considered Diefenbaker an old bore. They were both right about each other, you know.

So in the meetings they had, Mr. Kennedy dropped a piece of paper, left it behind in Diefenbaker's office. The piece of paper was a memorandum from Walt Rostow to Kennedy, in sort of shorthand: “We must push the Canadians on the following things.” Just the kind of stuff you'd use privately. One of them was to join the OAS, which I thought was an insane idea. Who needed the Canadians in the OAS? We had enough trouble in the OAS without them. Kennedy left the memo behind in the office and we didn't know it. He didn't know it. Nobody knew it, except Diefenbaker. Some months later, damn near a year later, Diefenbaker called Livy Merchant over and told him he had this memorandum. He was going to make use of it to teach the United States a lesson. You couldn't push him around, goddamn it, and so forth. This was just as the nuclear weapons crisis was shaping up. Livy had never heard of this memo. He had no idea about it. So he banged off a telegram and somebody did some good research in the State Department, and they

came up with the text of the memo and sent it back to us. We didn't think it was very exciting. Diefenbaker didn't do anything about it then, but he, in effect, had told us that he had something on us, or he thought he had something on us.

Livy Merchant retired and left Ottawa in 1962. I was replaced that summer by another charg#, which is very unusual. Ivan White came up. He had been supposed to be ambassador to the West Indies when it federated, but it didn't federate, so he was out on a limb somewhere, so they sent him up. I'd been there four years, after all. I came back to take over the BNA desk.

I came back in September. In October, I think, of 1962, there was the Cuban Missile Crisis, and in that Mr. Diefenbaker behaved very badly. Livy Merchant was selected to go up and give him a special briefing. He didn't want to believe it, he didn't do the right thing, he didn't say the right thing. The crisis proceeded. The Canadian armed forces, as our NORAD partner in a joint command, went on the same level of alert as our armed forces. The Canadian Navy said to our destroyers on picket duty off New England, “Go on, move further south. You'll be needed down there. We'll put ours out to sea.” They didn't have Diefenbaker's authorization for this at all. But the armed forces decided they'd do it on their own because it was the right thing to do. Diefenbaker always believed that we got them to do this and to contradict his orders.

I had the Canadian desk in the winter of 1962-63. I used to have an occasional lunch with Charles Ritchie, who was then Canadian ambassador here. That's another Ritchie, a delightful, entertaining man who has written some wonderful memoirs. He and I would get together and discuss how we could do business with each other in a situation in which the President and the Prime Minister couldn't stand each other. But we managed to conduct business, nevertheless, and most things went along more or less, with no excitement.

Then came the collapse of the Diefenbaker government, which was about February or March 1963. There was to be an election. Of course, Mr. Kennedy was extremely anxious

to have Mr. Diefenbaker defeated by Mr. Pearson, so one of our chief problems was keeping Mr. Kennedy out of the Canadian election, because he just wanted to get in there and campaign for Pearson. Can you imagine where Lester Pearson would be when somebody said, “Look, while you're making a speech, the President of the United States is on the phone.” We said to the White House, “We think the liberals are going to win, and we're going to do a detailed analysis.” We were right within two seats in our analysis of how it came out.

Q: You probably felt that any influence of the President would be counterproductive to the extreme.

ARMSTRONG: Sure. Just as if Reagan had intervened just now. But the White House was very impatient, very impatient indeed. Incidentally, on that press release, which led to the fall of the Diefenbaker government, I had been urged to put out the release by the National Security Council staff and the White House, as well as by our ambassador in Canada, and it had been approved by George Ball, who was Under Secretary of State. The President was out of town, but I had a clearance from Rostow. When the President came back to town, some Canadian reporter who was a friend of his got hold of him, and he distanced himself from the release; he didn't know anything about it. Dean Rusk was called before a Senate committee, and they said, “Who wrote this?”

He said, “I'm responsible.”

They said, “You weren't in town.”

He said, “I'm responsible.”

They said, “We want to know who wrote it.”

He said, “I'm responsible.” Never told them. There were people on the Senate committee who somehow felt we had mistreated Canada, we'd been too rough. Every time the U.S.

Executive Branch gets rough with Canada and it becomes public, the public reaction in this country is always against the Executive Branch for having been too rough with a nice little country like that.

Q: Again, this is sort of a condescending attitude, in a way, that we're bigger and we should be nicer, no matter what.

ARMSTRONG: It's such a good place to go fishing or shoot goose or whatever. They don't realize you're talking hard business, the national defense, SAC, you know, real business. Territory, air space, and all that. You're dealing with a country that is totally underarmed at all times and you have to make up for it. Their NATO contribution is only a shade better than Luxembourg's in being insufficiently armed.

Dean Rusk stood firm and never said who wrote the memorandum. I liked Dean Rusk before, I liked him a lot better after that. We struggled through this period.

Later, President Kennedy told Walt Butterworth, “Those fellows in the State Department who wrote that press release, they were right, and they kept their nerve.”

Q: Butterworth was our ambassador at the time to Canada.

ARMSTRONG: Not the best choice because he was so overbearing in style. The Canadians didn't like him. They got on well socially.

Q: When you had the desk, did you also have the British desk?

ARMSTRONG: Yes, I had the British desk. I wasn't very familiar with British relations, but I learned fast because that was the point at which there was a discussion about Skybolt.

Q: Skybolt seems to dominate that period. Could you explain for the record what Skybolt was?

ARMSTRONG: Skybolt was, in concept, not unlike what we now call an air-launched cruise missile. The concept was an extension of a bomber or of an airplane which would be remote-controlled and which would fly on its own over enemy territory and, on instruction, dive downwards as a missile and hit a target. The RAF in Britain had staked a great deal of its cash and future on the use of Skybolt, which was being developed by the USAF, as an extension of the RAF bomber force and thereby as a process for keeping Britain's nuclear deterrent still in being. Psychologically, an independent nuclear deterrent is extremely important to the British and has been for a long time.

In the autumn of 1962, there was some talk about the idea of the U.S. Air Force dropping any further work on Skybolt. It was in the developmental stage. I think they probably had a perfectly good point, that the engineering was not up to the concept then, though obviously it is up to the concept now because we and the Russians both have air-launched cruise missiles. Essentially it's that sort of thing.

Our British desk was very concerned about the fate of Skybolt. What we were particularly afraid of was that this would be treated by the U.S. as a simple choice of weapon on practical and financial grounds, and it would not be recognized that the matter was of major political and psychological importance to the British government. We wrote a memorandum to that effect, saying, “Please pay attention. This is a major psychological political issue for the British government.”

Q: To get a little idea of the working, this was coming to you from our embassy?

ARMSTRONG: It came to the State Department from the Air Force here, as well as from the embassy in London.

Q: Our embassy in London was saying, “Look, this is a big issue,” and telling you, and then you were telling the White House?

ARMSTRONG: The embassy in London knew about it, but we acted on information from the Pentagon. After all, the State Department has a Bureau of Political and Military Affairs. We kept track of what went on with Britain and Canada. My Pentagon contacts included being the American member of the Joint Board on Defense, which is a Canadian-U.S. institution. But in general, it was the State Department's Pentagon contacts that brought us the intelligence that this was liable to be scrubbed.

Q: The idea that, "Look, we better take care because it's such an important political issue," was coming from our embassy?

ARMSTRONG: They didn't need to tell us that. We knew that. They said the right thing. They said the same things we did, but we didn't need them to tell us that. We knew it. So we banged off a memorandum, which had my name on it to Secretary Rusk. But nobody paid any attention, and the decision was made on the usual basis of money and practicality. Then the British blew up privately.

Q: Looking at the State Department in the 1960s, I've talked to a number of people who dealt with it during that period, and while they have very nice things to say about Dean Rusk, they often said that Europe was not high on Dean Rusk's agenda. It was delegated to George Ball or somebody else, whereas the Far East absorbed his attention. Did you have this feeling that the Secretary of State wasn't the person who was going to take a commanding position on something such as this?

ARMSTRONG: I think that was a factor, but he was also a Rhodes scholar and quite pro-British. His regional interests was primarily Asia, yes, because he had been assistant secretary for that. But he was perfectly responsive on Canadian matters, and I backstopped a trip for him to Ottawa just after I came back. He was just going up to play golf in Montebello, was going to stop in Ottawa and see the embassy and go see Lester Pearson, his old friend. I said, "You can't do that. You've got to go call on Mr. Green. He's the foreign minister."

He said, “Why do I have to do that?”

I said, “Because he's the foreign minister.”

I said, “If you call on any of the opposition after you've seen the minister, that's all right. Then get off to the golf course.” I liked Dean Rusk very much. But in the Skybolt case, he was not a man to argue with the military. As I saw it in retrospect, he would see this as a case of, “The military makes its own decision on hardware. There's no reason for us to interfere with that.” And he was not an Anglophile in that sense. We've had people like Lovett and a lot of other major diplomats who are Anglophiles, so they spent a lot of time there. Dean Rusk wasn't that kind of man. He didn't go with the British aristocracy in style. He's a plain man.

McNamara was a very strong Secretary of Defense and he made the decision. Kennedy supported McNamara. There you were. The British, of course, reacted, and there was enormous consternation in the British government over this decision. It put in question the whole U.S.-U.K. relationship. This is why you had to go to Rambouillet and then to Nassau. The British went to Rambouillet and talked to De Gaulle, and there was a lot of talk. We fetched up with the Nassau agreement.

Q: This is where Kennedy and Macmillan met.

ARMSTRONG: Kennedy gave Macmillan the guidance system for Trident missile submarines.

Q: Or Poseidon in those days.

ARMSTRONG: I guess they called it Poseidon. They had a nuclear submarine. Their guidance system was not as good as ours. Giving them the guidance system, as I understand it, made all the difference in the world between a good functioning weapon system and one that was only middling. To get the U.S. Navy to go along with this was

very hard work. The U.S. Navy does not believe in giving any other navy anything except the back of its hand. They had to be dragged, kicking and screaming, into this.

Q: Were you involved in this?

ARMSTRONG: I was involved in a political sense in the Department, because before Nassau, we had to do the buildup: “This is what the British are going to ask for.” We'd write briefing memoranda. Then afterwards, how do you implement the agreement? How do you keep the Navy from sabotaging the whole thing, which a lot of people suspected they would try to do? So we were involved as briefers and not as negotiators. We had to run against an undercurrent in the State Department and other places in the government which saw this as an absolutely beautiful opportunity to eliminate the British independent nuclear deterrent. A lot of people thought the British shouldn't be allowed to have one any more than the French should be allowed to have one; only we should have one.

Q: Since we couldn't do much about the French, at least we could get to the British.

ARMSTRONG: Yes, that's right.

Q: Where did this come from within the military and State Department?

ARMSTRONG: Some of it came from the Europeanists in the State Department.

Q: The George Ball group?

ARMSTRONG: George Ball, Bob Schaetzel, Henry Owen. But some of it was more Henry Owen, who was in Policy Planning. It was more that than George Ball, because George Ball, in the end, would be an Anglophile. when you got down to cases. And Schaetzel wouldn't block a British independent deterrent, although he didn't like it. I may be misquoting him; that's my impression. But we had a very rough time. I wasn't involved,

except in making sure that the flow of paper from the European bureau said the right thing. By and large, it did.

There was a funny Canadian connection with Nassau, because Diefenbaker thought he'd come down to see Macmillan, since he was nearby. We heard the President talk about this later in a briefing session. The President said, “Well, Macmillan and I hadn't quite finished our business, and Diefenbaker's plane landed, and there was nothing for it except for the three of us to have lunch.” Macmillan didn't like Diefenbaker very much either, you know. Kennedy said, “We sat there much like three whores at a christening.” A wonderful Boston Irish remark, you know.

That takes me back to one other point about the Canadian election, because this was before the Canadian election. In the election, Diefenbaker kept saying that he had a piece of paper that showed how the United States had tried to dominate Canada. He used the “push” word. This is the piece of paper that he told Livy about. And he implied that it had written on it, in Kennedy's handwriting, “What do we do with this S.O.B?”

We asked the President, “Did you write anything on that piece of paper?”

“Oh, no, I didn't. I couldn't have written that because I didn't think that of him at the time.” The President was very open about that.

So we get into the Canadian election, which was won by Pearson. Then there was a great business of preparing Kennedy to meet Pearson at Hyannis Port. I was involved in the briefing for that. One thing Kennedy had to learn was that even though Diefenbaker wasn't there anymore, the Canadians were still going to be difficult to deal with on a lot of subjects, because they're Canadians. Pearson, of course, was all over the countryside in terms of most issues. A nice guy, but kind of a screwball. Kennedy and he got on reasonably well. Of course, Pearson and Johnson-this was after I was off the Canadian scene-had kind of a hard time getting along.

I'd say the Skybolt was the major British event, Skybolt and Polaris, during the time I was in that job. The other concern was Britain and the Common Market, because the first turn-down of the British by De Gaulle came during that particular period. He vetoed the British application. Our Atlanticists in the group, Schaetzel and company, could not believe that this had happened or was real. I'd been in London and Paris just before that, and I'd talked to the embassies in both places. Neither of our embassies expected the British to get in. Our economic minister in Paris, Jacques Reinstein, an old friend, said, “Of course they're not going to get in.”

I said, “Have you told anybody in Washington?”

He said, “They wouldn't believe me, so I didn't tell them.”I had the same experience in Canada when I was trying to explain to Schaetzel that the Canadians didn't like the idea of the British going in, for fear of losing Commonwealth preferences and other special U.S.-Canadian arrangements. He never paid any attention to my view on this, because he said, “Well, the Canadians are just wrong, that's all.” Schaetzel always knew what was right and what was wrong. Many times he was right. He was a great public servant, but he didn't like to pay much attention to what the Foreign Service really had to say until he got to be ambassador in Brussels, and then he found out. He was very good, a very competent guy.

I'd say the British effort at joining the EC was a major event then, and then became, the second time around, the major event when I was in the embassy in London, where for a while they weren't doing anything about it, then they shaped up to it. It was a major issue on the front burner when I left.

Q: You were Minister for Economic Affairs in London from 1964 to 1967. What were your main tasks at that point?

ARMSTRONG: The only bilateral problems of any real consequence involved shipping. The administration of U.S. shipping laws, as related to shipping conferences on rate

setting, a semi-technical issue, made for a major philosophical difference between the British and us, because the British believed in letting shipping conferences regulate themselves. We, with our anti-trust views, were opposed to shipping conferences because they set rates. I became involved in a fairly significant way in that on occasion, when there was a fight. We were also setting up at that time the International Maritime Consultative Organization, IMCO, with headquarters in London. Because of that particular multilateral aspects of things, shipping was again something we spent a lot of time on.

We had air negotiations sporadically, quite a lively time with the British on fourth freedoms, fifth freedoms, but I'd had a certain amount of experience on air negotiations with the Canadians, so that came fairly easily. Our major concern in those days was the problem of the British economy, which was in very wobbly shape.

Q: It was really called the "sick man of Europe."

ARMSTRONG: Yes. Harold Wilson was the prime minister. He was Labor. The Conservatives were in when I went there, and then Labor won the two elections while I was there. I knew Harold Wilson. He came over to Washington when he became head of the Labor Party. I had the British desk, and I thought I'd get acquainted with this guy, so I became his escort officer. I'd met him once before when he was president of the Board of Trade. We got along fine until he found out, from asking questions, that I was older than he was. The next time we passed a mirror in somebody's outer office, I could see him look at his profile and mine, and mine was better then than it is now, and his was a lot worse than mine. He also was very gray and I wasn't. It kind of put a cooler on it, you know. I saw him a few times when I was in the embassy. I liked Callaghan. I got along fine with Callaghan, who was chancellor of the Exchequer.

We all worried about the British economy. People would come over from the Bureau of the Budget or from the Brookings Institution, and we had economists steadily coming over to look at "the sick man."

Q: It's fine we worry about it, but why were we concerned, and what could we do about it? And was it our business?

ARMSTRONG: We were concerned because Britain is a major ally. You don't want your ally to be poor. It's a major trading partner. You want to be able to sell your stuff. It's a major financial center in terms of the world's financial situation. You don't want that financial center to lose its grip. It's just important to the world economy that there be a vigorous British economy, and it was also out of the Common Market. We thought it would be better if it were in the Common Market. We thought that really the best answer for it would be to be in the Common Market, where they'd have to compete with other Europeans.

I remember Averell Harriman came over one time. I was asked, “Would you come in to brief Mr. Harriman on the British economy? He's got only two minutes.”

He said, “What's the trouble with the British economy?”

I said, “Well, to put it the shortest way I can, there are too many people employed and not enough of them working.”

He said, “All right. I got it.”

I tried that out later on Harold Wilson's minister later, and he said, “You're absolutely right.” He said, “That's the best diagnosis I have.” The unions were just ruining the economy with work to rule and all kinds of seniority, and nobody could do anything that wasn't his job and all that. [Prime Minister Margaret] Thatcher was the best thing that ever happened to the British economy in two generations.

Q: This is Margaret Thatcher, the present conservative Prime Minister of England.

ARMSTRONG: She's the best thing that ever happened to them in economic terms.

Q: By attacking the union rule.

ARMSTRONG: Yes. The union rules were stifling the British economy. Another thing I noticed was that they were awfully slow at picking up new technology in British business. Another thing I observed was that senior British businessmen, of whom I met a good many socially, mostly did not have a university education. They were public-school boys. The labor unions had almost nobody with a university education, or any kind of a secretariat the way we have in the AFL-CIO. I don't think much of the AFL-CIO, but at least they have some educated brains down there.

I went to a couple of the British labor gatherings. I went to Blackpool once for a major Trade Unions Congress, and I met a lot of these fellows. They're very nice fellows. I enjoyed them. Good fellows to have a beer with, but they didn't know anything about economics or business. There was too much nationalized industry, mostly financial failures. It was just plain depressing to look at the British economic performance while I was there. In terms of one's own living, the exchange rate was fine, your money went a fair distance, it was socially a wonderful place to live, culturally wonderful. Most of my contact with the British government was really in terms of talking about global economic matters, the GATT or the Common Market or “What about the Japanese?” or whatever, or developing economies, that sort of thing, more than dealing bilaterally with the British.

Q: Really trying to bring the British to act in partnership with the United States.

ARMSTRONG: Keep them informed of what we were doing and how we looked at things, and find out how they looked at things. That was very agreeable. I did a lot of business with the Treasury. There was a very fine under secretary named Sir William Armstrong, with whom I did business. There were people in the Foreign Office with whom I enjoyed; a lot of good intellectual contact. Then there were the occasional COCOM problems, mostly involving Cuba, because we had special rules on Cuba. People were buying American goods, shipping them to Britain, and then reshipping them to Cuba to evade this. We got

into nonsensical arguments in the course of that time. But it was an agreeable experience, and I particularly enjoyed associating with David Bruce.

Q: David Bruce was the ambassador when you were there. Could you describe his operating style? How was he as ambassador?

ARMSTRONG: Detached. (Laughs) But observant. I remember one particular event which probably ought to be recorded. We used to send a telegram every couple of weeks or month, giving the status of British official monetary reserves. It was a very routine thing, and obviously it was not seen by very many people. They didn't have any reserves to amount to anything at that point. If they did, they owed them to somebody. So it was a purely nonsensical piece of data, an irrelevant piece of data.

David was not very experienced in economic matters. He always got worried about this, that they didn't have any reserves. He was a good man at handling his own money, always knew where it was. He'd call me in every so often, and he would be worried about the reserves. I would say, “Look, it doesn't mean anything. The reserves are neither here nor there. They can be gone in five seconds if somebody flipped the wrong switch or the right switch. What is important is the way in which the central banks in other countries and the IMF regard the British economy. That's the problem. If the economy gets better, you don't need to worry about the reserves. If the balance of payments gets better, you don't need to worry.”

He'd say, “All right, I get it.”

One time, though, I was giving him this rationalization. “Well,” he said, “I was particularly disturbed by the last telegram last week. I sent a telegram to George Ball and John Leddy.” John Leddy was Assistant Secretary for European Affairs. “God,” he said, “you know, they both called me up in the middle of the night, all excited. I guess I didn't show you that telegram.”

I said, “No.”

He said, “I guess maybe I'd better.” So he fished it out and showed it to me. He said, “I guess maybe I should have shown you that telegram.”

Having read it, I said, “Yes, you should.” It was hysteria about the British economy, talking about Britain going “down the tube.” I said, “Look, Mr. Ambassador, there isn't any tube big enough for an economy the size of British to go down. It either gets worse to the point it can't pay its bills, and then it has to shape up, or it gets better. It won't go away. There isn't any place for it to disappear to.”

He said, “I guess you're right.” Anyway, I could see why George Ball called him up in the middle of the night.

Just incidentally, this past Monday I was in Princeton, where they dedicated a chair for David Bruce at the Woodrow Wilson School. George Ball gave the appreciation. It was mostly about David's career in the OSS. The OSS is not a good place to learn economics either.

Q: No. There you try to destroy it rather than to help it along.

ARMSTRONG: Yes. It's, “Cut those power lines. Cut off the oil.” But David's political judgment on Europe, where people were going in Europe, and on security matters was absolutely superior. He frequently would cool everybody in the circuit off with a nice lucid telegram that said, “This is the way things look, and let's not get so excited. Things are shaping up.” I knew him also when he was in China, because I was Assistant Secretary when he went out to China as Ambassador. He called on me once when he was back, and called on me before he went. He was always so wonderfully witty and entertaining, a marvelous guy. He distilled wisdom all the time for people. He's one of the great men who

has been involved in our diplomatic business. William Casey worked with him during the war.

Q: This is William Casey, who, until recently, until his death, was the head of the CIA under President Reagan.

ARMSTRONG: Who, don't forget, was also Under Secretary for Economic Affairs under President Nixon. I was assistant secretary at the time, and Mr. Casey and I were a team in many ways.

Q: Let's move to that. You left Britain in 1967.

ARMSTRONG: In the autumn. I went to Columbia University as Associate Dean for International Affairs, working under Andrew Cordier. I had an interesting time there because we had the student revolution the following spring. That doesn't belong on this tape. I wouldn't have missed it for anything.

Then in 1969, I went to the U.S. Council for International Business as president. That's a multinational corporation business association. I was there when the State Department got in touch with me and asked me if I'd be willing and interested in coming back to be Assistant Secretary for Economic Affairs. I discovered later that my name had been put up by the career people in the bureau itself, which touched me. What they didn't know was what my political predilections were. So when their nominee turned out to be a Republican whom Mr. Nixon knew and liked, I was it.

Q: How did Nixon know you?

ARMSTRONG: He came to London, when he stopped being vice president. He came a couple of times and I briefed him. This was the summer of 1966 and summer of '67. Mr. Nixon is an Anglophile, he loved to go to England, and he would come in the embassy and ask for a briefing. Frequently, both times, since it was summer, David Bruce wasn't

around. I spent a couple of hours with Nixon each time. The second time he wanted to meet some British business people, so I took him down to call on the Confederation of British Industry, CBI, where he had a very engaging and interesting time. Then we had a lunch at the minister's house with some of the senior people from the Foreign Office. He had Bob Ellsworth with him, who later was Deputy Secretary of Defense, and who, I think, was a congressman at that time. Mr. Nixon and I got on very well. He was a jewel to brief. He remembered everything you told him, and asked highly relevant questions.

Q: I'd like to ask you to think about this a bit. I saw a recent reference of how President Nixon didn't like the Foreign Service because he felt he was sort of ignored and mistreated when he was out of office. Yet in a number of interviews, people such as yourself have mentioned how they briefed Nixon, they highly regarded his ability to take to a briefing.

ARMSTRONG: Everybody had that experience.

Q: But it seems like he was being given good, solid treatment.

ARMSTRONG: He was.

Q: So this story that the Foreign Service or the diplomatic establishment ignored him when he was out of office really doesn't seem to hold much water.

ARMSTRONG: I think that was a rumor started by Kissinger.

Q: I think it was in his book. In fact, I'm quite sure.

ARMSTRONG: He would say that. He would do that. Very few Foreign Service officers got called back to work for the administration. I was one of the few. Shortly after Kissinger became Secretary, I was fired, along with most other Assistant Secretaries.

Q: So really this is a Kissinger effort to dis-information, you might say.

ARMSTRONG: Yes, that's right. A perfectly normal Kissinger exercise. Denigrate the Foreign Service, denigrate everybody but himself. Denigrate the President, too. A contemptible man, in my judgment, absolutely contemptible. I don't care who hears me say it.

Q: I think many people would be lined up . . .

ARMSTRONG: He had my phone tapped while I was Assistant Secretary. I knew that from internal evidence.

Q: When you did come back, what was your job and your responsibilities?

ARMSTRONG: I had quite an agenda. One was to negotiate a Lend-Lease settlement with the Russians since I'd been in Lend-Lease. Trying to collect a bill 30-something years later is hard work. But we negotiated a satisfactory settlement with a lot of guidance from Kissinger and Bill Rogers and Peter Flanagan. I got advice from all three of them all the time, and I could often make up my own mind because it always conflicted. We did reach an agreement which got shot down by Senator Jackson in the Jackson-Vanik amendment, so we never collected the payment on Lend-Lease. I negotiated here and in Moscow, and we reached a satisfactory agreement. We also did a good trade agreement, and that got shot down by Jackson-Vanik also.

Q: Could you explain what the Jackson-Vanik amendment was?

ARMSTRONG: Jackson-Vanik amendment said that unless the Russians opened up on Jewish emigration, the economic deals were off. The deal we made on Lend-Lease required the Russians to pay for Lend-Lease, required us to ask and get from the Congress most-favored-nation tariff treatment which we had denied the Russians back in 1951, and to give Export-Import Bank credits to the Russians, which we did do for a short time.

Jackson-Vanik happened because of the concern over Jewish emigration from the Soviet Union. The USSR had an export a tax on educated Jews, things like that. The Russians didn't change fast enough. Jackson-Vanik was an attempt to make them do it. Presumably they would do it because they wanted most-favored-nation treatment so much. Under Jackson-Vanik, Kissinger made a side deal with the Russians, with Dobrynin, then Ambassador to the United States, that they would let out some good numbers of Jewish people. They promised good numbers secretly. Jackson was informed of that and he blew it all to the press, so the Russians said, “Screw you,” and cut off the trade agreement and didn't pay Lend-Lease. So that was one exercise in an extensive effort which resulted, in the end, in total frustration because of the Congress and the Jewish lobby.

Another thing I was concerned about was what was going on in Europe, our relationship with the European Common Market, which was a very extensive exercise. Casey and I spent a lot of time on this. We traveled to Europe two or three times, we worked together on it, dealt with the Europeans. We were concerned about reverse preferences, about whether they were becoming so inward-looking that they would not be a good trading partner, and concerned about GATT negotiations and that sort of thing. That was a continuing concern.

Another continuing concern was, of course, the balance of payments crisis, which tended to get rectified by virtue of the world grain shortage in 1972-73. I have kidded some people by saying that though I didn't have a thing to do with it, the U.S. balance of payments improved by $13 billion during the period I was Assistant Secretary. I didn't have anything to do with it, but I say, “If you want to argue about it, I've got a better record than a lot of other people.” There was a certain amount of having to testify to Congress.

Then, of course, we had the energy crisis which came from the OAPEC [Organization of Arab Petroleum Exporting Countries] embargo on the United States in the autumn of 1973. This was during the Arab-Israeli War of 1973. We'd had the Saudis over here. Yamani, oil minister, and Prince Saud, who was foreign minister, were both here in the summer of

1973. Casey and I had lunch with them. They said, “If you don't do something to restrain the Israelis, there's going to be a war in the Middle East. When the war breaks out, we're going to have to put an embargo on oil to the United States. We can't help it politically, as much as we love you.”

So Casey and I looked at each other after the lunch, and I said, “Shall we write that up?”

He said, “Nobody would believe us.” But we were warned. We told people, of course. And that's exactly what happened.

That happened about the time Kissinger became Secretary of State. I found myself going to OECD oil meetings in Europe, where nothing was accomplished, and everybody was running around flapping, and every government was instructing oil companies as to what to do. Having once handled oil in the State Department, having a lot of confidence in oil companies, I took the view that it didn't matter what they did. What oil there was would be spread around as rationally as it can be spread around by the oil companies either working together or working separately, and we'll all get by somehow. There was enough oil in the world. Meanwhile, we'll go out and find new oil and prices will go down. There it is, you know.

I must say, trying to brief Kissinger before he was Secretary, on the danger inherent in an oil embargo or in action by the oil exporting countries was a distressingly frustrating experience. He just would not pay attention to the facts.

Q: Did he have a point of view, or was he just disinterested?

ARMSTRONG: He never believes any economic data, as far as I can see. We sat there in his office at NSC, in the tank, one of these controlled offices. Bill Clements, Deputy Secretary of Defense, was in the meeting. We had a piece of paper prepared that I thought was a damn good piece of paper, which made it clear as a bell as to who was dependent

on Middle East oil and how much. He just didn't seem to pay much attention. I chimed in quite a bit, but it didn't take.

Q: You say Kissinger didn't pay attention to economic facts. Was it that he had theories and this was sort of a reflection of these theories can often be disturbed by economic problems?

ARMSTRONG: No, I didn't have enough conversation to get any feeling that he had any particular theories. I think he just was allergic to economic matters. You have to remember that Kissinger always looked at every situation in terms of, “What is there in it that will do something for me?” In economics, there isn't anything that will do anything for anybody.

Q: There's no room for fancy negotiation.

ARMSTRONG: No room for an ego trip or a fancy negotiation, no. No.

Q: Back to another personality. William Casey is recently deceased, but he was Director of the CIA and a very, very controversial figure during the Reagan Administration. I wonder if you could talk a little about him in his other incarnation as an economic person in State.

ARMSTRONG: Mr. Casey had a good businessman's knowledge of economics. He was a very successful investor himself. He wrote a large number of legal manuals for people who were engaged in business in regard to the impact of the law on business. He also had an interest in history. He wrote a history of the American Revolution in his spare time somewhere along the line. He had been Chairman of the Securities and Exchange Commission before he came to the State Department, and when his appointment was announced, I had been Assistant Secretary and there had been nobody as Under Secretary for some months in most of 1972. I got on the grapevine and found out what he was like. I inquired about how they liked him in the SEC, and the staff said, “He's great. We love him. He's interested in everything and he's great.”

That's what we found, that he was interested in everything and he was great, a very, very quick mind. He could read faster than anybody I ever saw. He would keep a mass of papers on his desk in folders by subject so he could get what he wanted right away. He liked to talk to people down the line in the staff. I was a little worried about it from a hierarchical standpoint for a while, and then I realized, “If he wants to know the real nitty-gritty from the guy who knows it directly, fine.” He and I, on policy grounds, were like that. We had no differences in opinion.

I found that if Casey was doing something that I thought was wrong or leaning in that direction, I could go to him and say, “Look, boss, can I talk to you about such and such a subject?” And he would listen to me very patiently, and he might well change his mind. Or if he didn't change his mind, he'd give me a good reason why he didn't plan to. He was fascinated by the international economic job in the Department, and he got along very well with Rogers, and later was in Rogers' law firm after he left the government. He was a fun guy to work for, and he was very quick. His economic and policy instincts were superior. I was devoted to him.

Then when Kissinger came in, I remember Bill was in the hospital recovering from a hernia operation. I went over to see him, to bring him up to date on where things were and all that. We had arrangements that both of us would not be out of the country or out of the city at the same time. I, in effect, served as his deputy and handled many things when he was away. Then my deputy would work with him when I was away. All the people in our economic bureau liked him. He was a great guy. So when I called on him in the hospital, Kissinger's appointment had just been announced. He said, “Well, it's going to be a very different State Department.”

I said, “Do you know this guy?”

He said, “No, I don't know him really. I don't really know him at all. I've never had any contact with him to amount to anything,” mostly because he had been on the economic

side and Kissinger, in the White House, never paid any attention to that. Casey had too much political clout not to be taken care of somehow, so Kissinger fixed him up to be President of the Export-Import Bank, which he went on and did cheerfully for a couple of years, I guess until the Carter Administration came in. I heard from people in the Bank that they thought he was great, and they liked him very much. He caught on like that and did a good job.

I later worked for him in the CIA. I went out to CIA in 1982 as a member of the Senior Review Panel, which was a part of Casey's office. I was there for three years. I now have a consulting contract with them. I've been out there once or twice briefly. We are the sort of quality control unit in the analytical process. We would review the national intelligence estimates. They would go to Casey and us simultaneously. We would examine them and we'd write a memorandum to Casey saying what we thought of them. We worked very happily with him, very happily indeed.

Q: What happened to you when Kissinger took over?

ARMSTRONG: Nothing special, except when we had a big energy conference, he cut me out and had Jules Katz, who was my deputy, handle it, which I thought was not unreasonable since I expected to be asked to leave anyway. I had had a difference of opinion with Kissinger over a COCOM matter.

Q: What was this?

ARMSTRONG: The Chinese asked the British for a deal whereby they would get the manufacturing know-how and set up a plant to make Spey engines, which were the engines then used in the Harrier jets, and also used by our Marine Corps jets. It was the state of the art, the best thing in the business. We had just done a review of the COCOM rules, which I'd chaired with the Defense Department, CIA, Commerce, Treasury, everybody else in town. We had just sent our results to Kissinger in the spring of 1973, and he'd approved it. It said, “Thou shalt not sell anybody a major weapon system.”

Period. Somewhere along in June of 1973, I got a call from Kissinger's office saying that he wanted somebody at the assistant secretary level to go to London and listen to what the British had to say about this. Since I didn't have any deputy who knew this kind of subject as well as I did, I thought I'd go. Besides, I wanted to pick up a suit from my tailor.

So I went to London and listened to the British for a couple of days. I said, “My understanding of the situation is that the U.S. response will be negative if you put this up to COCOM for an opinion.” They said they were not surprised. It was all perfectly genial. I sent a telegram saying what they'd said to me, and what I'd said back.

I got home and I found that I had to engage in a series of three memoranda from me to Kissinger, and Kissinger back to me, all through the Secretary of State, of course, in which Kissinger said, “Couldn't we just take a pro forma kind of objection to it?” He was soft as a down pillow on this. I began to smell something. I kept on arguing in the memoranda, saying, “If you want to instruct me . . .”

Q: He was then National Security Advisor?

ARMSTRONG: Yes. He was advising me not to pay attention to national security, as I saw it. I kept saying, “If you want to instruct me, I'll salute and do it, jump out the fifth floor window like any good soldier.” But he didn't instruct me. It was left hanging. It wasn't going to come up in COCOM until a little later anyway.

Then he became Secretary about the end of August, and in September or October, I had another three-way exchange of memoranda, in which we went through the whole damn thing all over again. I said, “If you want to instruct me, I'll do what you tell me.”

This second exchange of memoranda was kicked off by the fact that our economic minister in London, who was a friend of mine, called me up one day. He said, “Say, the British tell me that Henry agreed to this some six months ago, to this Spey engine thing. What do I say? What do I do now?” I said, “Send me a telegram and I'll see if I can get

you an answer." So in order to try to get an answer back to the embassy in London and to our COCOM guys in Paris, I had to go through this all over again with Henry. He never did instruct me. He just said, "Make a pro forma objection."

So we made a pro forma objection, and it was cleared by COCOM, and the British sent people over to build a plant. I found out later through intelligence sources that the only engines they got out of it were the ones that were made while the British were still there. This is an example of that technology that was too much for the Chinese at the time.

What Kissinger, I surmise, had in mind was that this was part of his game to build up China against Russia. Anyway, it didn't work as far as the Chinese were concerned, but under the ground rules as we had them agreed, that was it. The Defense Department was up the wall about this. So I fully expected, when Henry became Secretary, that he wasn't going to want me around very long. He announced in early December of 1973 that I would be returning to private life. The Foreign Service Director called me the night before. I had 18 hours' notice, but I wasn't surprised. Then he let me stay there until Tom Enders came to take my place, which was the following April. So I had nearly four more months of working for Henry. We didn't have much to do with each other. Once he'd made the point that I was leaving, he was perfectly happy to have somebody run the office.

He was an extraordinary secretary. He got rid of all the other assistant secretaries that Rogers had appointed, except one, who was John Richardson, and he was Assistant Secretary for Cultural Affairs. John said he didn't think Henry knew he was there.

Q: Overlooked.

ARMSTRONG: Overlooked. He went on for a while, then he left and went on to something else. The thing that was amusing was that Henry had a rule that if you were an assistant secretary, you had to write a memorandum every day saying what you did that day. I told my staff assistant, "I'm not going to be here very long. You write the memoranda. You can make up anything you want to. You know my schedule." If Henry was away, of course,

Ken Rush was acting, but only in a nominal sense. He didn't have any authority, because Henry took the whole thing with him. If Henry went away, you had to send him a telegram wherever he was, saying what you did today.

Q: Was this meant to be demeaning, or was he really that interested?

ARMSTRONG: It was demeaning, that's all. Perfectly demeaning.

Q: It sounds like it was an exercise in diminution rather than somebody who is taking an active interest.

ARMSTRONG: He's the kind of man that cuts everybody else around him down a size lower than his. He was always beating down people. That's the way he fixed the elevators, too. The minute he became Secretary, you no longer had a key to the Secretary's elevator. Only Henry had a key. There are two Secretary's elevators which open only with a key. So you turned in your key.

Then he also had an instruction out that said, “Before you engage in any important negotiations, please clear with me.” The Economic Bureau was engaged in about 40 negotiations at any given time on everything from telecommunications to beans. So the boys asked me, “What do we do about this?”

I said, “Well, if you think you've got anything you're doing that's important, you can tell me, and I'll decide whether I think it's important enough to take it to the Secretary.” We never asked him for anything while I was there; we just weren't doing anything “important.”

Q: Routine.

ARMSTRONG: Routine. Normal staff of life. But it was an experience. This is not related to my own experience, but the kaffuffle over the embassy in Moscow, and the deal that put the Russians on Mount Alto here in town was made while I was Assistant Secretary.

I didn't have anything to do with it, but the European Bureau was told by Henry to sign it, with no argument. Henry was in the White House.

Later, last year sometime, I was watching a television program on this and they had Henry there. They asked him, “Did you have anything to do with this deal?”

“Oh, no, no, no.” He had nothing whatsoever to do with it. It was handled at the operating level in the State Department. “That wouldn't have been near my office.” Which is a goddamn lie if I ever heard one.

Q: We're talking about the fact that we allowed Russian technicians to do most of the work on our embassy.

ARMSTRONG: Pre-cast concrete.

Q: Which is full of bugging devices. At the same time, we gave the Soviets a place on a commanding position on Mount Alto in Washington, which was absolutely perfect for electronic eavesdropping. This is a deal much criticized at this time. It did not make much sense.

ARMSTRONG: It didn't make much sense. It shouldn't have been agreed to. I've been to Moscow and I've seen where they were going to build the embassy. It was a hole in the ground the last time I was in Moscow in 1980. It's in a poor site at a low elevation. There aren't many hills in Moscow.

Anyway, to finish about Casey, I worked with him in the CIA for three years. He was always very willing to listen to criticism our group had of intelligence analyses. He welcomed it. He urged us. Frequently when we commented, he would say to the people responsible, “Do what these guys say.” So we had frequent meetings with him in which we always had a good interchange. We enjoyed it. The only problem was that as he got older, he became increasingly inaudible and indistinct.

Q: This was a complaint that was often considered by at least those hostile to him as being done on purpose, particularly when testifying to Congress.

ARMSTRONG: He talked that way to his closest associates. After we met with him, three or four of us, we had to go back to the office and sit down for an hour and say, “What did he say? Did you catch that?” We hated to ask him to repeat. My analysis of it was that this was because his mind worked at three or four different levels at the same time, an extraordinary mind, and while he was talking, he was thinking about something else. The more he thought about something else, the more he tended to mumble.

The time they gave him the OSS medal at a dinner at one of the hotels here, was different, however. Casey was then in the Ex-Im Bank, and he was very kind to invite quite a number of us who had been associated with him in the State Department to come and be guests at the dinner. They had people there from every resistance movement in Europe paying tribute to him for what he had done during the war in OSS. It was a very touching occasion. He got up to make a speech, and you could hear absolutely every word of it. It was clear as a bell, because that was his important speech. On ordinary occasions, he didn't realize he was mumbling that much. If you asked him, he'd be nice enough to say it over, but it wasn't very good when he said it over. Of course, I was getting a little deafer at this time.

I was an admirer of Casey's and I enjoyed my association with him, and I thought he was a fine public servant. I'll stay with that position.

Q: Very good. I think that brings us to an end. I found this fascinating. Thank you very much.

ARMSTRONG: Well, I've had a lot of experiences.

End of interview