Interview with J. William Middendorf II

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

AMBASSADOR J. WILLIAM MIDDENDORF, II

Interviewed by: Charles Stuart Kennedy

Initial interview date: July 28, 1993

[Note: This transcript was not edited by Ambassador Middendorf]

This is an interview with The Honorable J. William Middendorf, II. It is being done on behalf of the Association for Diplomatic Studies, and I'm Charles Stuart Kennedy.

Q: Mr. Ambassador, we've been talking quite a bit beforehand but let's start with the regular interview at this point. Could you give me a bit about your background, when and where you were born, and something about your family and your early education?

MIDDENDORF: Yes. I was born in Baltimore, Maryland and grew up outside of Baltimore, Charleston, Maryland, and born in 1924. I went to Charleston Normal School and then Gilman School, and then later on went up to Middlesex School and one of my proud accomplishments, Stuart, is to have in my drawer a T-shirt that my crew won from Kent school, in 1941 or so.

Q: I went to Kent. I rowed on the second crew, I never made the first crew.

MIDDENDORF: Well, I may have had your T-Shirt.

Q: Well no, this was not very fancy.

MIDDENDORF: And then I went over to Harvard, and the war was breaking out. The war had broken out in Europe, I went over to Harvard and spent a couple of years there in the V-12 program.

Q: V-12 being a naval officer training course shortened during the war.

MIDDENDORF: That's right, and it was a quick way of getting officers out of the college units. And then I decided I wanted to go into the ROTC, if I was going to be an officer I'd like to go in with a little more training. So I was transferred to Holy Cross in the ROTC program, and one of the first Protestants actually to be at Holy Cross. We were kind of new to them, and I don't think they knew quite how to handle us but I did survive, and I took cosmology and ontology, and logic and all the Catholic courses, and of course I was very fond of the fathers out there, but it worked out and I got my degree in, of all things, thermodynamics with steam, the least useful course you could ever get. Nobody has ever heard of it. But at any rate, then I was shipped out to the Pacific, and I was on a landing craft, LCS, in the Pacific and ended up decommissioning and bringing them back from China. And eventually ended up in charge of 13 of these small LCSs, which were really like LCI hulls but we had rockets on the bows for the attacks on Iwo Jima and on Okinawa.

Q: Did you get involved in any of this?

MIDDENDORF: I was very blessed in my only involvement, and of course I did visit after the fighting had ended in Iwo Jima and Okinawa on the way out, but I was sent directly to China for the occupation there in the fall of 1945 and we saw Shanghai. During those years Chiang Kai-shek was fighting north of there against communist forces. It was kind of interesting. Our ship was stationed on the Yangtze River, but I remember in early dawn these old trucks with these drab gray uniformed soldiers would emerge from Shanghai, and go up in the north, and then a few hours later you would hear boom-boom-boom, and

you knew there was something going on. It really didn't sink into me that this was anything serious. And then towards sunset these drab trucks and soldiers you'd see them coming back into Shanghai, and little did I know that a few years later the whole area would be engulfed by the Mao forces. Shanghai in those days was very depressed. There were millions of people, literally millions of people wandering around the streets without food. They had been fighting the Japanese, and fighting the communists, and it was a terrible period right there in '45. And you'd see quite a number of folks would just drop dead on the streets. Sometimes on a block there would be literally thousands of people staring at you because you're two feet taller than everybody, I guess, and being an American sailor. It was very foolish for people to get into the back alleys.

We lost a couple of sailors off a companion destroyer that was stationed on the Yangtze. We had to quarantine the city, and take our sailors out of there for a couple of days on one occasion because the sailors would get in the back alleys, and because the people were so desperate for food, they would rob and kill them. It was a very great dangerous moment like in any situation where there was extraordinary poverty, where people were actually dying on the streets. It was the first occasion where I would see sometimes two or three people dead per block. And yet no one there to pick them up, people just kept moving. All during the night too, 2:00, 3:00, 4:00 o'clock in the morning just thousands of people milling around looking for something to do, a desperate situation. It should have stabilized but one of the tragic things that happened was, when I got there, the CNC, the Chinese national currency, was 100 or 200 to the dollar and by the time I left a few months later, it was at 4,000 to the dollar. And a month or two later I heard that it got hundreds of thousands to the dollar. Inflation is like that, when they come, they come very fast. We saw it in Bolivia later. And that perhaps wiped out whatever vestige and hope there was for most of those people anyway.

Q: Then you came back in 1946.

MIDDENDORF: Came back in '46, went back to Harvard and got my degree.

Q: What field did you enter?

MIDDENDORF: Economics. I studied under an Austrian Libertarian economist, that was a very nice blessing. He had been Finance Minister, I think. He was giving a graduate course, and I was able to take his course. T.S. Eliot was giving a course earlier when I was at Harvard before the previous time, and I took a course from him up at Memorial Hall. It was exhilarating days.

Q: Also the student body was much older and had been through a war...

MIDDENDORF: They were all in khakis.

Q: ...which added a whole different dimension.

MIDDENDORF: But nobody ever mentioned it. I mean I never heard anybody ever discuss the war situation although it was clear that we had four or five classes all compacted back in in '46 and '47 from the classes of 1942 on, and everybody was in khakis because that was standard issue, I suppose, in the navy and the army, and a lot of people had served with Patton and done a lot of interesting things, but I never heard anybody discuss it. It was just let's get on with your life. It was a very exciting time because we were always looking for the future, to rebuild of Europe, and rebuild...our graduation, I know, I was dozing off listening to this fellow going on about helping Europe—it was General Marshall—and little did I realize at that time that General Marshall was announcing the Marshall Plan which would have a big impact on me.

Q: Oh, yes. This was a very famous speech.

MIDDENDORF: I mean he was talking about helping them out, and I wasn't paying a lot of attention. Arthur Hartman was in my class too. He's now chairman of the Trustees at Harvard, but he indeed later became our ambassador to Russia, and did some very interesting things. Hartman and I little realized that it would have a very significant impact

on us later in our careers. When I got to the Netherlands as ambassador in '69, the Dutch hosts at dinner parties were still toasting the United States. They'd say, “I'd like to propose a toast to the United States for the Marshall Plan for saving us.” They would give an emotional toast. It was really wonderful. I always thought back, well maybe I should have been more respectful to General Marshall on that occasion.

At any rate, after Harvard I went down to Wall Street and worked at Chase bank, a bank that had become part of Chase, and then when Wall Street was starting to pick up in the 1951 I moved over to Wall Street, and joined a company which is one of the leading investment banking firms at that time specializing in research and institutional portfolio holdings. And a few years later I became a partner there, and later on I started my own firm, Middendorf, Colgate & Company with Olsen Colgate, and we became the leading investment banking firm, I guess, in Wall Street for a period of time in insurance stocks. We were specialists in insurance stocks, making over the counter markets, and we merged some of the largest insurance company mergers in American history. We bought Maryland Casualty, American General, and others. These are multimillion dollar mergers, in fact one was over a billion. It still holds up as one of the largest mergers in American history. I conducted all of those mergers. We had ten successful mergers that we put together for different companies, and without ever losing an employee. We never created a redundancy situation. We were very proud of the fact that we put the mergers together and found a place for everybody. So at any rate, those were successful, and simultaneously I was getting a Master's degree at New York University in business administration.

And simultaneously in doing all this work in Wall Street I decided to help out the Republican Party. I had always been a Republican, and did a lot of volunteer work for them, both in the state of Connecticut working up to be finance chairman in different areas. I sponsored Lowell Weiker. I was his finance chairman in three or four elections.

Q: He's governor of Connecticut.

MIDDENDORF: He was governor, but at that time he was...I was finance chairman for him. George Bush's brother and I helped him out to get to be first selectman, and then representative, and then on to the House of Representatives, and then Senate. So we were very active in his campaigns. I became very active on the Republican National Committee level, became treasurer for Mr. Goldwater in the '62 campaign, and something that Jerry Millbank, and Stets Coleman, and John Tower, and Cliff White, and Peter O'Donnell and others had organized. We had meetings in Chicago in '62 at a motel out there, sort of a secret meeting almost getting the thing started. And it worked out fine, and we got Barry at least nominated, but obviously didn't do any good for him in getting him elected.

Q: Because this is a foreign affairs interview, how did you view Goldwater, and say the group around you? Because he was portrayed and in politics portrayal often is unfair, but portrayed as being sort of an extremist. But in the foreign affairs field how were you looking at Goldwater at that time?

MIDDENDORF: At that time I wasn't looking at all at foreign affairs. We were interested in his domestic issues, and a lot of us were drawn to him by his book Conscience of a Conservative. We just believed in the conservative economic scene for the United States. We weren't really looking at foreign affairs at all. Nor was I. And his idea was to cut the government expenditures down, and that certainly made a lot of sense. We were portrayed as right wing extremist, and he even helped that by...I've forgotten who wrote the statement for his famous speech, extremism in the defense of liberty is no vice and that helped our enemies to decide to do a number of us, so we were built up as right wing extremists. I remember one time going back to a club that I was a member of out at Greenwich, and Jerry Millbank and I and our wives were having dinner, and somebody who we had known all our lives came up and said, “Hey you right wing extremists,” or something like that. It really kind of hurt, just to be identified with Barry Goldwater, and who certainly was not a right wing extremist, nor were we. The term conservative

was something...it was a very difficult moniker to defend, I can tell you that. And to a certain degree it is even today. But at any rate, we were economic conservatives. We were spending all our time studying economics. Most of us were very motivated to cut back on government expenditures, at least where we thought they were misplaced. At any rate, that's water over the dam. Then I was made treasurer of the Republican National Committee, a post I served in for five years. And then Mr. Nixon wanted to run for president. Jerry Millbank and I had lunch with him one time in Wall Street, he was across the street. He had been licensed to practice before the Supreme Court. One day he asked us to have lunch with him at the Downtown Association, and he said, “You guys did a good job for Goldwater,” and he said, “I did too. I made a couple hundred speeches for Goldwater,” and at that time we were very grateful to him. And he said, “I'd like to have your support for president.” This was in '66, so we said we'd do everything we could to help him. So a lot of the boys that had been with us on the Goldwater delegate drive joined in and we all worked hard for him. I became his treasurer of the campaign, and I would go down to Washington once a week, leave Wall Street once a week to go down there. So to my mind an interesting...I considered it a public service role that I was playing and then he got into the job, and then I was given the opportunity to whatever assignment I would be interested in. He initially asked me to be Secretary of the Navy, but then John Chaffee ended up wanting that.

Q: He was the governor of Rhode Island?

MIDDENDORF: So the president asked me if I would step aside on that occasion for a period of time, and later on I did become Secretary.

Q: Today is the 17th of August 1994, and we're continuing this interview. Mr. Ambassador, how did the appointment as ambassador to the Netherlands come about?

MIDDENDORF: Well, because of my work in the party. I'd been treasurer for Mr. Goldwater, and I was the head of the firm in Wall Street. We're actually one of the largest

firms specializing in insurance and bank stocks in the United States, probably the world. And we were very successful but I always wanted to give a little of my time for civic activities, one of which was supporting the Republican Party, and culminating in my being elected treasurer of the Republican National Committee in which capacity I served for five years. And when Mr. Nixon in 1966 decided he wanted to run for president, he had been a great help to us in the Goldwater campaign, in the abortive Goldwater campaign, where we lost very badly. He came to Jerry Millbank and me, and perhaps one other, and said that he wanted to be president, what did he have to do to get that, could we help him with the delegation that we had worked on for Mr. Goldwater. He had an office close to me, on Wall Street, at a municipal bond firm. So we had lunch with him, and we said we certainly can support you and will help you. So we were able to raise some funds for him, and he had some very great support from Donald Kendall and others. We were able to work with Peter O'Donnell, and a few other state chairmen in the different states. So very soon we were able to form a delegate support network for him sufficient to get the nomination, which he got. And he ran a successful campaign in '68. During the campaign at one point Peter Flanagan, who later became his chief of staff — since I was treasurer for Mr. Nixon and doing all the work on the cash side so to speak, trying to pay for advertising and television and all that stuff, and someone else was doing the fund raising, but it's a back breaking job — so they took pity on me and one day Peter Flanagan said, “Bill, is there anything you'd like out of this?” I said I wasn't really in for that, I've always helped a lot of other candidates in the past, but if I did do anything it would be my old love, the navy, Secretary of the Navy. He said, “Well I think that's going to be possible.” But then later on Peter had to call me and tell me that John Chaffee, in order to bridge the gap the president wanted to close the gap with those who had opposed him, in the nomination process. So he said, “Would you mind stepping aside for John Chaffee at this moment?” So John was made Secretary of the Navy, and I later became Secretary of the Navy when I came back from the Netherlands—Under Secretary first, and then Secretary. Then he said, “What else would you like?” I said that I'd always had a great love for the Netherlands, and I am particularly fond of my many friends there, I had been over there many, many times, I had

business there, a tulip bulb company, which dated back to Rembrandt's time. So as a result of that he said, “Well, we'll check that out.” And he called back and said, “You'll have to go through the usual process, but the President wants you to do that.”

Q: Let me ask what specifically was it about the Netherlands that attracted you?

MIDDENDORF: Let's put it this way. There's the Netherlands, and then there's all the rest. We're already well known, world class, connoisseur and collector of great old Dutch art. I was also interested in Dutch art, the old masters, but having this tulip bulb company, which I think at that time the third largest in the world. It was a successful company, and 300 years old, as I mentioned.

Q: One of those that was a involved..., what was it?

MIDDENDORF: Well, you know, on that question I never did research that. I think that took place a little bit before this. Because I think that tulip bulb thing was back in the 1620's and this perhaps didn't date from maybe 1650s-1660s. But so that's a question I should have researched it. I had to sell it, of course, sell my interest in it when I became ambassador otherwise there would be a conflict of interest. In fact, I sold everything.

Q: Did you have any problems with your nomination as far as the Senate went?

MIDDENDORF: No, not at all. As I recall it was a very interesting process. I mean, I was sponsored by Senator Prescott Bush from Greenwich, he was my neighbor in Greenwich, and Senator John Saltonstall, who had been on the same crew with my father at Harvard. So those two took me in, and naturally Senator Fulbright, and Senator Pell, and all, were very supportive, Senator Pell in particular because he's an old friend of mine, one of my closest friends in the Senate for 50 years now. So it went very quickly. I think it was only five or ten minutes. I think all my confirmation hearings, at least five or six, have all been five or ten minutes. So I think its a total of about 40 for all six. So anyway, it was a blessing. The mistake my friend John Lodge made, and he was going through with

me at the time—when Senator Fulbright asked him if he had any thoughts he would like to express, and he said, “Yes, I do.” He had been governor of Connecticut and he and Francisca were great friends of many Spanish folks. And he said, “Yes, I do. Mr. Chairman, (I think he said) I want you to know that Mr. Franco was a fine fellow.” So anyway, they held him up for months. By that time, I'm getting out of a month. I said, “Thank you very much Senator for the great privilege and honor of being able to serve,” and got the hell out of the room, which I think is the proper way to do it.

Q: This was your first diplomatic assignment.

MIDDENDORF: Yes, and therefore obviously the most exciting.

Q: How did you prepare. I mean, on your way going there?

MIDDENDORF: First off, in the Netherlands you have to understand, it's all business, and they're very practical. The Dutch are very practical, and it helps a great deal to understand their business techniques, and methods, which I was blessed to have an understanding of, and already knowing a number of their bankers and businessmen. That's not just the preparation, of course. The Foreign Service Institute gives a language course in Dutch, and in addition to that you have a series of briefings, and Charlie Tanguy here, who was then the Netherlands desk officer was able to arrange for a number of meetings in New York with major corporations like IBM and others, at Chase, and Citibank who had huge international departments doing business with the Netherlands, and Chemical Bank. We had a number of meetings there, and businessmen were giving us the benefit of where they thought the Netherlands fitted into the European scene, and how important the Netherlands was in the business sense, plus their role in NATO, OECD, and all the other functions where the Netherlands was a key leader in international organizations. It made my job very easy because at one point the Netherlands had the Secretary General of the OECD, the head of the Bank of International Settlements, Joseph Luns at NATO, and the foreign agricultural organization chief. So it was a blessing to have all these marvelous

European giants running things in Europe, in a sense, and giving me the benefit of their thoughts on many occasions.

Q: When you went out there was there any problem, or anything you had to deal with? Instructions may be the wrong term, but in other words something that has been festering, and why don't you go out and try to settle that problem. Were there any problems?

MIDDENDORF: You know an ambassador is never a free agent. You have an agricultural attach#, political counselor, and what have you, and even the spy boys are in there. So whatever problems there are, they're all being worked on very intensively, for example, KLM landing rights for Chicago.

Q: Was it Tyler who was ambassador before? He said when you came out, that the Dutch wanted one of two things. One was a nuclear sub, and the other was landing rights in Chicago. He said he was a Foreign Service officer, he couldn't do a thing about this but you were able to...I mean the nuclear sub was really out of the question. It was just too much, the infrastructure and the whole business but that you were able to take care of the landing rights in Chicago for KLM. Did that happen, and how did you go about it?

MIDDENDORF: Well, the way of going about it was to cash in a few chips with the President.

Q: What did you do? Just ask the President to...

MIDDENDORF: I told Peter that I wanted to talk to the President about it. The President always put his feet up on the desk, and he had these big yellow pads and he'd write down everything you said. It was intimidating in a way, he sat there writing on a pad, page after page, writing down every word you said. But it worked. So I was able to report to Peter Young and Joseph Luns that we were able to deliver on that and immediately John Eisenhower was on my case.

Q: Eisenhower was our ambassador to...

MIDDENDORF: He was over in Brussels. And he said, “You s.o.b. you got them in, and now the Belgians are on my case over here.” And he never did get [the Belgians into Chicago], of course he had two big problems. So naturally when I showed up in the Netherlands I got a big warm welcome. I was enthusiastic about the Dutch from the start, and I have been ever since.

Q: In the Dutch government, whom do you see? I mean not just officially, but where are the power centers for the ambassador?

MIDDENDORF: Well, it's important to be very close to the Prime Minister. P.T. Young was a former submarine skipper, and we had a lot in common because of my navy days too. And he had been a great hero in the Dutch naval service with 19 years in the job. And in addition to that, I made a great friendship with Joseph Luns. I think he'd been longer in the job than anybody since Talleyrand or somebody.

Q: He was the Secretary General?

MIDDENDORF: He was Foreign Minister, 19 years as Secretary General. He had 17 great jokes, and he'd program them on one of those tape recorders, and then when he got down to number 17, he start on number one again, and eight of them were all about Charles de Gaulle. And he'd love to tell these stories, none of them were complimentary about Charles de Gaulle. But it was very important to listen to each one, and laugh at the right moment as he did himself, which I always did because I had met Mr. de Gaulle when I had taken the U.S. Olympic Field Hockey Team to the world championships in Lyon France in 1963. I was the captain of that particular little effort, and so I stood with the American flag rather nervously, as Charles de Gaulle came down the line meeting each of the 12 teams, and our team was lined up behind me and he's the only other person I've run into in a diplomatic role...he was also 6'4” or 6'5”, so I was able to look right eye to eye with him.

But at any rate, obviously I didn't have a chance to do anything more than shake his hand. Being what he was, he had a firm handshake and moved right on. But at least I was able to tell Joseph Luns that I'd met the guy at one point, and that always started a new round of jokes starting probably at serial number six.

Q: This was just about the time when NATO was moving to Brussels, sort of in your neck of the woods. What was the Dutch feeling at that time about De Gaulle basically kicking NATO, specifically the Americans, out of France. The wounds must have been a bit raw, weren't they?

MIDDENDORF: Well, Joseph Luns always said, and P.T. Young always said, they were very pro-American, so to speak, and I think they always felt a little uncomfortable with the French...the way I looked at it, they felt that the French with the agriculture policy, which was really a policy designed to subsidize a whole bunch of farmers in France, much more so than their own boys. But I think they felt that the French were getting a little bit too big for their britches in a sense taking France out of NATO, and not being more Atlanticists. The word Atlanticists was a very big thing when I got to Holland in '69. I don't think it's as big today, but wherever I went the Dutch...it was one of those very few places in Europe I've ever been since even, certainly before, where when you go to someone's home or you're a guest of someone and they always got up and toasted the United States for saving them with the Marshall Plan. There was a great deal of real empathy for the United States at that time. I mean, gratitude as being one the most noble of all human emotions, so this was a rather surprising turn of events. It was a very pleasant time to be in the Netherlands, because they loved Americans.

Q: But also you went there in '69 when something was happening over in another part of the world, namely Vietnam. I've heard stories about our consulate general in Amsterdam being almost under siege.

MIDDENDORF: The Consul General called me up one day and said, “Bill, I'm about to be murdered. Can you bring the Marines up here? The police can't protect me.” Gene Braderman. It was really terrible, they were busting the windows, they were running all around, so we went all charging up there and did the best we could to protect American property, and we had to add support there. Fortunately, everybody saved the day at the end. But he was really up a creek, obviously not hysterical, but he was extraordinarily emotional. It was a very dangerous time.

Q: Did you feel the Vietnam thing, or was this strictly an Amsterdam thing?

MIDDENDORF: Oh, no. I remember one time this huge crowd outside, stirred up by the TV, I'm sorry to say, because the TV would always show these people on TV so they'd all show up. And one night there was a hell of a bunch of guys and women out there, all shouting out, “Ambassador come out,” and all that. So I was advised by our security people to go out the back door, and Charles, my driver, was supposed to meet me out there, and I said, “Oh, no, at the front door.” So I told Charles to thread his way through the traffic because it wouldn't be right for me to go out the back door. There must have been several hundred, 500 people out there yelling and shouting, a lot of them like hippies, but very emotional on this whole question of Vietnam. So I told the guard, “Open that front door.” So I went out by myself, and all of a sudden this huge crowd silenced, and they opened the way. The Dutch are polite generally. They opened the way, and I got to the car, opened the door and got in, shut the door, and said, “Charles, let's go,” and he started to go forward. The Queen's palace stand about 100 yards, a cobbled stone street there, so he started to move forward to get out and then they started banging on the car, and shouting and screaming again but the doors were locked and we proceeded on—it's a big heavy car anyway, and we were able to get out of there.

Q: With the members of the government, did you find yourself explaining Vietnam ad nauseam to the members of the government?

MIDDENDORF: No, certainly not to the central government. Then we had the Nightasweitzer and the government fell and there was that long nine or eight months period...

Q: What was this, the Nightasweitzer?

MIDDENDORF: Norbert Schmelzer held on. Norbert Schmelzer is a fabulous person. I can't remember all the details, but everything was in chaos, and the government changed. Whether it was at that time or later, I remember Joop den Uyl, who then became Prime Minister, and he told me that one of his greatest idols in this world was Willy Brandt, and he looked to Willy Brandt for leadership. He'd been over in Willy Brandt's pullman car in one of his campaigns giving support. He used to tell that story a lot. And he would always come to the house when he was in the Labor Party or in the parliament, but the day he became Prime Minister he had to turn down an invitation to my house. He said, “I can't come anymore,” because of the Vietnam war. So that hurt my feelings a lot actually because we'd been good friends up to that point. And we were still good friends, he would always take my cigars and what have you. He was a very nice man, but I think he felt that he had to make a statement somehow.

Anyhow, Barend Biesheuvel was an interesting guy when he took over from PTI. And I remember making a courtesy call, and I decided to do it on my bicycle...in those days you could ride around on a bicycle without getting shot at, so I rode down these cobblestones to the Prime Minister's office in The Hague and knocked on the door, and the guard came down and said, “Can I help you?” I said, “Yes, I'd like to bring my bike in here, and I'd like to meet with the Prime Minister.” “Well, give me your name and I check and see if its fine.” Of course, the name was all right because it said American Ambassador, so they took me in and I met with Prime Minister Biesheuvel and made my courtesy call in respect to him.

Then when I was leaving The Hague three years later or whenever, the Marine Guard downstairs said, “There's a tall man down here, and wants to know if he can bring his

bicycle into the embassy." So about two minutes later, up comes the Prime Minister, and he said, "I'm repaying the compliment," which was very nice, it could only happen in The Hague. Everything in The Hague is really old world in that sense, everybody is very respectful of everybody. It's a real diplomacy center. They're still some of my best friends.

Q: What role did the Queen play in this when you were there?

MIDDENDORF: Oh, she was delightful. She played the violin beautifully. In those days when you showed up to present your credentials to the Queen, up to the royal palace with all those wonderful Dutch paintings, in the outskirts of The Hague. Along comes this golden carriage to pick you up, so you get in the golden carriage, you've got your top hat on and your tails, and the Chief of Cabinet is sitting with you, and he takes you out and introduces you to the Queen in her castle. I don't think they do that anymore. That's a nice old tradition, it didn't happen to me when I was ambassador in Brussels at the European Union. She's delightful, and her husband is a great guy and I got to know them both very well although I got to know him a lot better. We used to make a lot of trips together, even went hunting with him, Prince Bernhard, and he's been over to see us, Charlie [Charles Tanguy, former Netherlands Desk Officer who sat in on this interview] and me, and we've had dinner parties for him. Charlie and I got to know Princess Margaret, as well as the present queen, now Queen Beatrix, but then Princess Beatrix, and her husband Prince Karl. We got to know them very well, much better than the Queen even because the Queen is very quiet. And I remember Princess Margaret when Prince Maurice was born, he was only a baby of three days or a week and they came to the house and she sat on the couch with the baby, and Mr. Peter Van (inaudible) came and played the piano at a dinner party in their honor, and I was surprised she could make it. It was very pleasant in The Hague because I was interested in music anyway, and three or four times I had musical evenings where everybody had to actually have composed something. I was blessed to have in The Hague a composition teacher, who was the son of the Thailand ambassador. He was actually a brilliant young man. So I would invite all the composers from around, and I would write something, and they'd all come and we'd have 20 or so

and we'd play their music, whatever they'd composed that evening, which was a very nice thing. We'd have a small little orchestra for them to perform their stuff. The word got around that we were sort of a nice place where if you were a composer you could come and get your stuff played.

Q: Did you find the demonstrations, coming back more to the political side, against our consulate general in Amsterdam and in The Hague...the Nixon White House got quite worried, a mild word, about what was happening say in Sweden and some places and they felt that...did you find that you were trying to keep this from setting off fireworks in the White House, or not?

MIDDENDORF: Oh, yes. I myself, and others, might have felt substantial threats to our persons. There were one or two times when I would have the Marine guard stay overnight at the residence when I would have received some death threats the day before. Sometimes I'd get two death threats a day. It wasn't so much for myself, but I had my family there, a bunch of little kids, a four-year-old boy. But we didn't make a big deal of it back in Washington, we just tried to keep it fairly under control. Charlie worked hard on it all the time.

Q: Were there any problems with NATO?

MIDDENDORF: General Andy Goodpaster came down. He was at that time the Commanding General at NATO, and we had him come over twice. He was wonderful the way he helped us and talked about the need for a strong defense. As a NATO country, the Dutch have to do their share. We cooked up something called Five for Central Freedom; everybody put up 5% of their gross national product for defense, because at that time the Bolsheviks were still running around on the perimeters.

Q: Did the Soviets have any particular...

MIDDENDORF: The Libyan Ambassador, who was the head of the big Libyan campaign, he was the one who was supposed to have been responsible for topping King Idriss, and as his reward he was given the post in The Hague. He had a posting down about half a block from my house, so I got to know him very well. I'm sure he was well respected everywhere, but he also liked to have in the late afternoon a couple of drinks. So anyway, I was making a courtesy call on him for something such as protesting some action they were taking, he was always in a very relaxed mood. But one time I remember a very interesting thing with this ambassador. He was presenting a demarche to me, or I was presenting something about some action—either we didn't like what they did, or they didn't like what we did. I remember a rather long, prepared speech to me as we sat on the couch under this huge picture, with some Bolshevik in the background in the picture, in a huge frame. Thank God it didn't topple over and kill us both. It seemed like about six or seven minutes into this prepared speech, which was obviously prepared by somebody other than himself, it was almost like a ritual, and then all of a sudden the door opened from the kitchen and out rushed what I thought was the chauffeur, and he came over and whispered in the ambassador's ear, and then left. As if nothing had happened, he turned and flicked something on this picture frame and there was an audible sound like a switch, and then he began this spiel all over again. So I had to listen to this six minute spiel again.

Q: The recording wasn't working too well.

MIDDENDORF: Anyway, we were good friends and whether he went on to greater things, I've never found out. At least he was enjoying his post there.

Q: Were they making any inroads into the left wing, the socialist side, or not?

MIDDENDORF: I think that (inaudible) did not need much prompting. (noise on tape) And Max had been very active in his party. But as ambassador we got to know everybody on both sides. So when Max moved up to Foreign Minister, we had already made those friendships. Charlie and I had spent a lot of time with him. So when he got the job,

naturally he was very (inaudible) of NATO, very silent, and I think that may have saved the regime. I don't think the Soviets down the street had much impact on him.

Q: I was Consul General in Athens during most of this time, the Dutch were in absolute leadership of the anti-colonial movement. And we were trying to work within it...

(tape very unclear)

MIDDENDORF: It was a difficult period, and the Dutch, I would say, were the most adamant...Well, it was primarily Max. Something had gone wrong, and for some reason he'd been hurt at some point.

Q: How did you find the embassy staff.

(noise)

MIDDENDORF: John Dudley was my first DCM. Bill Tyler, my predecessor, was a fabulous ambassador. So they had left, or were leaving, and I was always very grateful to Bill Tyler because he said, “Come on downstairs.” And I said, “What's this?” “This is my wine cellar, and for a very minimal fee I can let you have the whole thing,” which was incredible because Bill Tyler when it comes to wines...and the Dutch...I was a member of an Academy for wine specialists. In the Netherlands you had to be a super wine lover; I was taken in only for an honorary reason, I guess. So we'd go to each other's houses with these wonderful Dutchmen around the country. Each one would have these special wines, and I had to keep up some standards. They were all leaders in the business community, and they were all top people, so it was very nice to inherit the wine cellar from Bill. And John Bovey, then became our DCM and, of course, there can be no finer diplomat than John Bovey. I don't know if you've ever met him?

Q: I've talked to him on the phone.

MIDDENDORF: A fabulous Francophile in the sense...I mean his French was impeccable, but he knew Europe, and he was well respected, knew everything, and kept me out of trouble. Because you know, when you come in and you're enthusiastic, and you want to do everything like yesterday, he was able to keep me from doing all the wrong things, and that makes all the difference in the world. When he left, he and Marcia decided to move down—he had written for the Le Monde, he was a great intellectual—he wanted to live in France, and so did Marcia I believe—I hope this isn't inaccurate—but I think he bought himself a wonderful south-of-France house. It was one of those wonderful things, a farmhouse, but it didn't have much plumbing, and it didn't have much heat. He loved it of course, but Marcia was very unhappy, I'm told, cold in the winter, also I think he tired of it too, because he eventually sold it and moved to Cambridge. I think it's different when you go there for summer, and for a visit, than if you try to get in there and live full time down there in one of those remote places. It's very bucolic, and has a lot of traditional history, but I'm not sure in the end John was unhappy with it. It's so hard to fit in. If anybody could fit in, he could fit in because he had his writing for Le Monde.

Q: Were there any major issues that you had to deal with, say with business? Were there business problems?

MIDDENDORF: In an embassy, of course, you come in every day and there's a series of cables. The Germans and the French were pushing this European Consortium, and the European fighter plane, and we were promoting the F-16. And, as Charlie said, we had to switch gears halfway through the debate. They had Pratt and Whitney engines, or General Electric engines, I'm not sure, I can't remember now the details, but United Technology was heavily involved. And also at one point Northrop Aviation was there, and Tom Jones came over personally to brief us on his fighter, which was a much cheaper fighter, and apparently didn't satisfy their needs in capabilities and what have you. Anyway, there was a huge debate. We were always kind of in the action on that. I think in the end the Dutch always did the right thing as far as our planes.

Q: Did you find yourself at all inhibited by the problem that often comes up where the French or the British can settle on one piece of equipment, one manufacturer, and say this is the one we're pushing for. The United States has to be sort of even-handed.

MIDDENDORF: We had two or three.

Q: And if you've got two or three, there might be something that's clearly better, but doesn't this dilute our effectiveness.

MIDDENDORF: You're absolutely right. Whenever you get two American products competing, you go catatonic. They're coming at you with one mind, and you're frozen because you can't take sides. It's a terrible problem. We have to get our act together whenever we're going to sell anything abroad, in my opinion.

Q: Particularly at that time—I don't know how it is today—but you just had to say, well, everything is good.

MIDDENDORF: But your point is not necessarily aircraft when there is a dual product coming at you. Absolutely. In which case you can't do anything, you're really frozen. All you can do is respond, but you can't take sides.

Q: Were there any other products where you got caught up in something like that? Say the French were pushing one product because they seem to be able to line up with one product, or the British, and we just couldn't act because there were too many competing American products of a certain nature.

MIDDENDORF: I can't remember...

TANGUY: I don't think it was a big issue. I heard there was a wine tasting organized by our commercial counselor of American wines.

MIDDENDORF: I did that, I organized that.

TANGUY: We got the Dutch to start to buy American wines which was a real coup, I thought.

MIDDENDORF: We had the first California wine tasting. We were able to talk a bunch of these guys in California into bringing their stuff over there. We put on this big thing at the embassy. The French were so furious, they thought we were really coming at their territory when we brought in American wines in 1970. There was hysterical laughter about the quality of American wines. Everybody said they're such non-starters, they're not going anywhere. And I remember Walter Wriston from Citicorp showed up, they happened to have a trade mission, a bankers' mission over there at the time. And he was saying to everybody that the California white wines are great, and they've got a future. At any rate we were able to make a fairly good impression. There were some impartial people among the French who thought we might have something going. Actually the problem is that California wines are a little expensive in Europe. At that time they, were a fraction of the price of the French.

Q: Were there any other issues that I might not have touched on during this '69 to '73 period? We were just about to end the Vietnam War, the Nixon administration was quite strong in foreign affairs at that time.

MIDDENDORF: Well, there were two Nixon administrations. The first Nixon administration was very active, and pro-active, and Henry Kissinger was very active. He and Bill Rogers weren't the world's greatest pals, perhaps they were good friends, but they both had a different role to play. I think Bill Rogers had less access to the President, and therefore, on major foreign policy issues Henry had more stroke to reach on. But I always carried on one rule, and that is that every cable and every communication was sent directly back to the desk officer, or to their related agency in government. I played it straight and communicated everything; even if it was going to go to the President I communicated

through the desk officer, Charlie [Charles Tanguy] or his successor. And then if I wanted to see the President, or wanted to see someone, they would set it up for me. I must say, to President Nixon's credit, I always had access to him. Whenever I wanted to see him, I'd go right in. I mean he always set something up.

Q: Were there any issues you saw him about?

MIDDENDORF: Usually the type of issues we're just discussing. I'd give him a progress report. He was always very interested. There was one occasion where the President had me in on some issue, and for some reason some of the staffers wanted to keep Ryan Van Linden, their ambassador, out of the room—the Dutch ambassador. I can't remember the circumstances, we went over to the White House together and I just walked in, and all of a sudden the door shut, and I was in there with the President. And some Dutch delegation, I can't remember exactly what it was, and the ambassador was outside and he got madder than hell. For some reason he had done something, or I don't know who had gotten mad at him, but at that point there was some reason they kept him out. But he stormed right in. He insisted on being in the meeting, and in he came, to his credit.

Q: Did you see any of the Kissinger-Rogers differences through different channels. Was Kissinger coming at you from a particular angle?

MIDDENDORF: We weren't that big a player. Obviously we weren't on the China team, or Russian, where Henry's interests were much more dramatic. Helmut Sonnenfeldt worked for Henry, and Helmut was always much more accessible to me, or to the team if there was a major issue. He would be able to organize a meeting. There was one occasion early on when Henry suggested that I should keep the channels open directly to him if there was any major issue. That was when I was fairly naive and didn't know that there was a routine way of doing things in the State Department. But in checking it over with Charlie, and with John Bovey, I decided to do it all straight, right through the State Department. I think it turned out to be the proper way. I got a lot more done that way. I had a very good team

back in Washington who was always very responsive, I got a reply instantly, and they'd fan out throughout the agencies on any request. And I always got extremely good support. You might say we got almost favored treatment.

TANGUY: Of course you laid the foundation by having all those briefings and meetings in Washington before you went out to the Netherlands. You'd already made all these friends, so when a cable came in that was going to some other part of the State Department, it wasn't falling on a stranger's desk, you already knew them. And the other thing you should recall, Stuart, is that you came back, I think, the first year out there 14 or 15 times, all but one of which was at your own expense. So when the ambassador shows up—its one thing to send a cable in, and the way the Department works, they can kind of ignore it if they chose to, but when the ambassador shows up it's a little hard to ignore the ambassador...very exciting times.

Q: You mentioned that business was a very important element.

MIDDENDORF: I'd say 60% of the gross national product with the Dutch is exports.

Q: Did you find that here your business experience was an advantage and you did not have to rely on the Department of State? I'm not saying this in a derogatory sense, but the problem is that the Department of State is not very business-oriented.

MIDDENDORF: Oh, yes, it is. The economic counselors were very professional. It is true that, in trying to put a little emphasis on this idea of export promotion, we were able to attract Jimmy Carter with his Georgia delegation and businessmen, and later on when I was ambassador in Brussels I was able to get Chuck Robb over with his delegation, and we would have a number of delegations and businessmen that we would invite. I even sent out, naively I'm afraid, a letter to every CEO in America of the Fortune 500 inviting them to come over there and start getting into the export business. And we would lay out all the facilities for them. We got some response, but not the level of response I had hoped for, because America is not that export-orientated. One of the disappointments I had was

when I went...I hate to say this...but when I went to the Commerce Department for a list of the Fortune 500 with their addresses—I mean it was a simple request, and it was seven or eight months before I got an answer. In meantime, I just got ahold of Forbes, or one of these magazines and had somebody copy it all out. It was as if I were asking them to turnover some major state secrets. I would have thought that was their job, to get us all geared up. Perhaps they thought there was some hidden political gimmick on my part to do this.

Q: They just didn't have it. Did President Nixon visit there? Or Vice President Agnew?

MIDDENDORF: No, we tried to get him, we couldn't get him. We tried to get Nixon a number of times; Luns said we had to get him. So I kept sending back cables saying this would be the first time a president had been here since God knows when—since ever. In fact Bush was the first one that ever showed up over there. Everybody looks at Europe as bouncing over to NATO, and then over to Italy or Germany, or over to France, or over to Geneva, or over to London, or over to Israel, but nobody ever wants to show up in the Netherlands because the Netherlands are not the squeaky wheel. The Dutch just get everything done quietly, and they're very, very efficient, and people forget about them.

Q: You left there in 1973. You came back to be Under Secretary of Navy. This was what, your first love?

MIDDENDORF: First love, I'm still very active with the Navy.

Q: Just quickly touching on your Navy time, because then you became Secretary of the Navy from '74 to '77. Did you have any dealings with the State Department from the Navy perspective. Anything that you care to talk about?

MIDDENDORF: The Navy has a long tradition of sending our fleet around Latin America, from port to port to port, and the Latin American navies will come out and join us and we'll schedule some maneuvers together at each port in country. So that's a function where

we have to work very closely with the State Department to get everything organized. Of course, on many occasions we would get visits from foreign dignitaries. The Secretary of the Navy gets a lot, and always a State Department officer brings him over. I mean you're almost like a junior Secretary of State as the Secretary of Navy if you're traveling all over the world visiting all these navies because wherever you go whether it's London or Singapore, or Naples you always have to make your political calls first and pay your respects. So it's obviously a very close tie-in and the Consul General in Naples would obviously have a very close relationship with the U.S. Navy, our Mediterranean fleet.

Q: Did you get involved in the home porting idea of...Admiral Zumwalt was pushing that in Greece. Did this come up under your watch at all?

MIDDENDORF: Well, it was obviously his activity. The Navy was active in that, but not as far as I can recall, the Netherlands substantial. But there was a time when Bud Zumwalt was over in London at our headquarters over there. The embassy is on Grosvenor Square, and we had a Navy headquarters where Eisenhower had been during the war. So this was early on, but it became CNO.

Q: Chief of Navy Operations.

MIDDENDORF: ...and I didn't know him, but I just read a Time magazine cover story where he was all for beers in the Navy, and beer in the barracks—it was reported that he was for beer in the barracks, and stuff like that. I don't think he really was, but anyway I got a little upset being an old Navy man. So I called him up over there and said, “I'd like to come over to see you in London.” So I flew over at my own expense the next day and Bud was very gracious. And I said, “What's happening to my dear Navy?” And Bud explained these stories get out, and they try to make him look like a middle aged hippie, and he said, “It's just not so, we're keeping the standards up.” That was the first time I had met him, and of course I got to know him very well when I was Navy Secretary, and he was my CNO, he was working with me, and worked very closely together on the Hill. At that time he must

have thought it slightly odd that some bizarre ambassador from The Hague was important enough to come over and talk to him.

Q: Well, moving on then to 1981, were you involved in the election of Ronald Reagan the first time?

MIDDENDORF: I was chairman of Mr. Reagan's International Economic Advisory Committee, which during the campaign was sort of a blueprint for him on economic trends around the world, and discussing the various major exports and imports that were involved in creating jobs for the United States. So that was the role that I played in his campaign, plus I was also chairman of his Naval Advisory Committee, for whatever that was worth. And when it came time to go into the administration, he very kindly asked me if I would become Ambassador to the OAS.

Q: Where did that come from?

MIDDENDORF: When I started business I shared in setting up a mutual fund in Wall Street to invest in Latin America starting in 1955. Not a brilliant performance on our part because we were immediately expropriated by Mr. Castro in '58. Peter Grace had sold us the Peruvian technology on making bagasse to hardboard. So we set the plant in Cuba and we were operating very well, we employed several hundred people and it was a substantial investment. I think we had several million dollars involved, and at that time it was real money. We were supplying most of the Caribbean with hardboard which previous to that they had to import, and at great expense had to burn the bagasse before that too. So it was a sort of synergistic thing that was good for Cuba. It was a mistake on my part to go into Cuba when we had the opportunity to go to Puerto Rico. I argued, well let's go to Cuba because Cuba had since 1898 had the strongest currency, little realizing that it was going to have an abortive end. So Mr. Castro came, expropriated the property, some Czech engineers got in there and I think it was finally torn down under communism, but that was the end of that project. But we did invest in a number of other countries and had

some successes and some failures. We also saw hyperinflation on several occasions, and we saw expropriations on a number of occasions. It was chaotic and it was a good learning curve. At least I learned enough about Latin America to know...and working with a number of Latins, to get to be good friends with many businessmen.

Q: You came at an interesting time to the OAS, from '81 to '85 period. I mean just both domestically-politically Latin America was almost the equivalent, in some ways, to where our China policy was back in the Eisenhower period, being a very active policy there. I mean an administration came in with very strong feelings about Latin America as opposed to the Carter administration whereas in most of the rest of the world there really wasn't tremendous change. But in Latin America there was. I wonder if you could talk a little about how you saw the Reagan administration when you came in, and how you were pointed at that time?

MIDDENDORF: Well, there were two facets to that, one was the pro-active role that Reagan and the administration...Tom Enders was our Assistant Secretary, but the pro-active role that the Reagan administration wanted to change, and clean out all the...let's accommodate the communists because we can reason with them—philosophy; and the philosophy of Ronald Reagan and his team which was, you can't negotiate with these guys, let's push them out wherever they are if you can. And the other job that I had, my job was to moderate with the 31 nations—I guess there were 32 nations in the OAS but Cuba being the 32nd had been inoperative since the '60s when they had an abortive landing apparently in Venezuela. It was alleged they had attacked, or were about to—boats were found. So by common consensus the OAS didn't want them around, even though they were still members theoretically, their flag was still up in the Carnegie building. The role of the OAS at that time went through a metamorphosis during my four years there from one of very substantial hostility towards the United States' position on the part of Mexico, occasionally Venezuela, and certainly Nicaragua, although less so than Mexico, and several others. Whereas the Caribbeans, outside of Grenada, were always with us, Eric Williams and Maurice Bishop, the communists had taken over down there and they

obviously were not their best friends. And then I saw a shift in that period until the time when we actually rescued, or invaded, Grenada, or however you want to describe it. There was no consensus to condemn the United States in the OAS. In other words, they were very much for us, much more for us than they had been before. And indeed, at the critical moment I had attended some special National Security Council meetings prior, a couple days before the Grenada activity, and at that time I had, I won't say pledged, but I had said when asked how will the Latins go? I said I can't speak for the UN, but I can tell you that in the OAS a feel, based on the homework I've been doing, my expectation that there will not be a condemnation of United States Saturday morning in Grenada. Then they said, how do you know? And I said, “I've been doing a lot of work on this, and hopefully we confirmed in that, and if not you can have my resignation.” That was a factor in deciding whether to move or not, I feel certain because I don't think anybody cared so much about the typical kneejerk reaction that you might get out of the United Nations, but they certainly cared a lot about the OAS because the OAS was a collegial body representing some very substantial friends of ours in Latin America and Caribbean and we wanted to make certain that they were with us in spirit. We had been condemned at the time of the Falklands attack because the feeling that Cap Weinberger and Al Haig, unlike Jeane Kirkpatrick and myself, the feeling that they had been at least talking with Margaret Thatcher and associating with her.

Q: We're talking about, for the historian, the Argentineans took over the Falkland Islands which had been a British colony, and the British came back and we tried to act a moderating role but eventually basically came down rather heavily on the side of the British.

MIDDENDORF: And in the moderating role, it just fell upon Jeane Kirkpatrick and me to do the best we could to hold the hands of the Latins during that period. They had no love for the Argentineans to speak of at that point. Mr. Galtieri was perhaps not the most loveable leader.

Q: It was as junta that took over we were pretty inept for one thing and not very nice.

MIDDENDORF: Well they had a very bad economic situation down there caused by themselves, in my opinion, after the runaway inflation in the early '80s where they miscalculated by pegging their currency to the dollar. So it comes now, with this tremendous economic problem that Mr. Galtieri is facing...I had a private view that he used the Falkland thing as an external smoke screen, a distraction, thinking that Mrs. Thatcher wouldn't be so resolute. So Al Haig and Cap Weinberger, who was the Secretary of state and Secretary of Defense, were very active communicating back and forth with Mrs. Thatcher on this situation because they were fellow members of NATO, and we have a very big responsibility there with our European allies. But the role fell to me to continue to keep the dialogue open with the Argentineans and through their ambassador, and I met many, many times at night with him all the way through March and April. There was an occasion when we hoped to use the visit of Pope to perhaps work out a compromise so that we could have the Argentineans evacuated the island and put the three flags up, the British, Argentinean and the Pope flag, some sort of a compromising we were discussing, some sort of face saving for the Argentineans because it was obvious that the British had gotten down to the Asuncion Island and they were ready to come on down further south. So in a sense I had pretty direct access to the Argentineans through this wonderful ambassador who was very sympathetic to this idea of some sort of a compromise in my opinion, although he never said outright...I don't want to get in trouble now, but he never said outright, “I share your view,” but he was obviously very, very anxious to see that something with quiet diplomacy could work. And I was always in touch with Al Haig working back and forth, and comes now the British were in Asuncion Island moving south, hadn't made the final decision whether to go in or not, to attack and to take on their ships. It was obvious to most of us, especially me with a Navy background, that it would be no contest if the British decided to move in. In fact, it could be quite a substantial loss of life on the part of the Argentineans. And I tried to make that point, and Mr. Galtieri didn't seem to comprehend this too well, and until the end he was quite aggressive in his views

although I never talked directly with him, it was always through the ambassador. There were several of us had this idea of this compromise, a face saving deal. It seemed to be working, there seemed to be a lot of support for it. And then at the last minute Mr. Galtieri apparently told the ambassador to cancel it, that negotiation. So I called very upset from the ambassador's residence when I was informed of this, I called Al Haig and Al said, “Bill, come right back to the Department.” This was very late in the evening. But he didn't say, “They're going in tomorrow,” but he just said, “get back, it's over.” So I knew at that point it was over, and thanked the ambassador very much, and I said, “We'll talk tomorrow,” and left. There was just no way Mr. Galtieri for some reason was willing to risk substantial defeat, rather than save face.

Q: Looking at it, even at the time, and I was retired by that time and not dealing with it, there was no way in hell that the United States could have supported the Argentineans in this. And they might have looked for a nice out and all that and realpolitik may have said something, but it just wasn't going to happen. Maybe I'm overstating it, but how did the Argentineans look, I mean the ambassador you're talking to. He's sitting here in the United States, could they feel the temper of the United States on this?

MIDDENDORF: Well I think because of the close working relationship that Jeane Kirkpatrick and I, and a number of other ambassadors, I mean our ambassadors were fanned out all over the hemisphere, we were trying to hold the line. We had one meeting at the OAS where Secretary Haig and I and we sat there and took the heat from all these ambassadors, and that was a pro-forma thing in my opinion. That was something they had to do because they had to show solidarity.

Q: These are the Latin American ambassadors all getting up...

MIDDENDORF: Absolutely, one right after another took turns on the United States, and we took it with good spirit, and made I think a fairly brief reply, and that was it. So we wanted to keep the relationships going, we obviously didn't want to have any bad relationships

with the Latins, and it was not our war. We didn't start it, Galtieri started it for whatever reason, but we wanted to maintain our position of relationship. So obviously in our job, the ambassador to the OAS job, is to maintain the solid relationships, not to give the appearance of taking sides, and I don't think we ever did. It's possible that the Latins could conclude that the close relationship Margaret Thatcher had with the President, and with Al Haig and Cap Weinberger, and we're all Anglophiled to a certain degree, but there was no sort of face losing evidence that this was happening.

Q: Even beyond the close relationship, just the very fact that these were the British, a junta of generals who were pretty nasty to their own people, had seized this island, it just wasn't in the cards no matter who is President, who is the Prime Minister, that we would come down and support the junta.

MIDDENDORF: And I think that's the reason they belabored us. I think Argentina tried to get a big thing going against the United States, and they didn't succeed. But all was smoothed over later within months after that, the junta gone, the relationships were extremely good.

Q: One other thing. Could you talk just a bit about why does Mexico always seem, particularly in the field of foreign affairs, commercial affairs...we've been pretty very close, but in foreign affairs the Mexicans seem to, at least the Foreign Ministry, all seem to take quite an anti-American course.

MIDDENDORF: I think you have to put that in an historical sense, not the present sense because it's clear that as result of NAFTA...

Q: But really for a long time.

MIDDENDORF: Yes, you're right. Dick Walters had that famous meeting down in Mexico with Castro, or his representative early in the administration where the Mexicans were sort of the middle men, as I recall, didn't come to any of them. Castro kind of belabored

us afterwards to the other Latins as this is a sign of weakness that we were meeting with them. Every time you do that you got that kind of result from Castro. So there wasn't any profit in meeting with him because he was just going to blast you as the result, a sign of weakness. Well you have to recognize that the Mexicans and the Venezuelans have this special oil facility where they supply low cost oil, heavily subsidized oil, to Cuba and to Grenada during that period of time. And why the Mexicans took that position, I guess maybe because there was an historical...you can go back to the war with Mexico in 1840 when the problem started. There was never a lot of love lost. In the voting, either they stayed neutral or were against the United States for several years there. In the end though Don Rafael de la Colina, who was the dean of the Mexican diplomacy corps...I think he went all the way back to Woodrow Wilson's time and had been back and forth to the United States, but he was certainly one of the most respected ambassadors and he became a very close friend of mine, and at the critical moment...for example on Grenada when we went in to the vote. We gave the Latins about an hour's notice that we were going to go in, including Cuba, so very predictably the Grenada ambassador from the United Nations came on down from New York, asked to have the floor, Williams, their ambassador to the OAS for some reason was out of town at that time. She had been supportive of Maurice Bishop who had been murdered in October, as you know. Maurice Bishop had been murdered in that abortive sort of counter coup in Grenada in '83. During that summer Williams, their ambassador, had suggested to me that we meet with Bishop in Washington at a hotel. So I arranged for Bill Clark, National Security advisor, and myself to meet with Maurice Bishop. We met with him and I got the impression, a very strong impression meeting with Maurice Bishop there a month or two before he was killed, of course, and he had led the coup to take over Grenada initially with Cuban support back in the early days. But I got the impression in talking to him that he was a spent man. That he was really looking for a way out. He was still mouthing a few of the typical communist rhetoric terms, but he was almost pleading with his eyes in conversations with us. We had lengthy conversations, and he certainly was not acting like your hard line Bolshevik. And he went back to Grenada to his death. He tried this cute little coup,

and also they were suspicious of him, probably for coming to the United States. So at any rate, he was arrested, then he got out and he marched up the hills with some enthusiastic supporters, and then he was shot there. So in that resulting chaos with his death, Korte taking over, the possible threat to the students there at St. George's University—American medical students. There was a good deal of discussion there. Constantine Mangus at the National Security Council had written a brilliant paper, he'd only been a month on the job, maybe even less, suggesting the rescue—shall I use that term—of Grenada, to stop the potential for Cuba-Soviet expansion in the hemisphere. And as a result of that paper, and the momentum it created—of course, I became an enthusiast for it immediately, but so did others. So there was a meeting of the National Security Council a couple of days before we went in, and at that time I had made what I hoped sibyllic prophesy that I felt comfortable, when asked, there would not be any resolution passed condemning the United States at the OAS. And that must have been a factor among many that the powers that be had to deliberate. Bud McFarlane, as I recall, was in the chair. Then George Shultz came into the meeting, Tony Motley, the chairman of the Joint Chiefs, and a representative, not Bill Casey, but a representative from CIA. So the decision was made to make this momentous step, that which began, I believe, on a Saturday and with considerable success. I consider that a significant success in this sense that it was the high watermark of Soviet-Cuban expansion in this hemisphere, and the ebbtide really. They started to recede after that, and they knew that we were going to stand up and not be a pushover. There was no criticism at the OAS. The Bolivian ambassador was the chairman of the OAS at that time, they rotate every six months, and he for some reason was quite hostile to the United States and for U.S. action. He was close to Nicaragua, and very close to Ambassador Williams, the Grenadian. And this was a curious thing, the Nicaraguan ambassador who of course represented the Sandinistas did not second the resolution that he proposed condemning the United States. And this followed, of course, a long lengthy diatribe against the United States from the Grenada ambassador to the United Nations. He happened to be sitting next to me. And on my right was Don Rafael de la Colina, my friend the Mexican who normally would be the one to second such a

condemnation. I had the privilege of visiting with him the night before, and asking him how he was going to go, and presenting views. As I recall, Tom Dunnigan our DCM, who had been my political counselor in the Hague working with Charlie, I had asked to come back as DCM at the U.S. mission at the OAS. And we had made a visit to Don Rafael de la Colina, as I recall, it was some years ago, this was 1983, eleven years ago but I think its right, and told him in hypothetical case that if this does happen how would he vote. And he very kindly suggested that he would reflect on it, but he certainly created a very strong impression to me that he could remain neutral. And that was a very great encouragement to me because I knew that if he didn't second the resolution condemning the United States, no one else would, including the Nicaraguans, they didn't think they would either because it was a curious development in the four years I was ambassador to the OAS the Nicaraguans, although we were running Contras and supporting them, against them all the time, the Nicaraguan ambassador was always extremely cordial to me, and never once voted against the United States. He never participated in an attack on the United States.

Q: You're saying something I find very interesting from the way you talked about it. You talked about these as being individuals, these ambassadors, rather than we think in terms of in the United Nations our ambassadors don't just get up there and vote the way they feel. They vote because this is how the government wants it, but I take it in the OAS there's much more...I mean if the Bolivian ambassador doesn't like the United States he will do things that maybe do not necessarily reflect the considered policy of their own government.

MIDDENDORF: In fact, that's quite true because under the Bolivian leadership at that time they were much more friendly to us down there when I would visit. It was a peculiar thing. I think he at one point had had some difficulty in the United States, some snubbing or something. Or I think there was a situation where a Bolivian didn't get hired at some point, and he was angry.

Q: But people weren't waiting to say, I've got to consult my government.

MIDDENDORF: I think basically they always consulted their government, but for some reason we had a very collegial atmosphere in the last two years, not the first because there was a love of the Sandinista and Falkland stuff in the beginning. But it seemed to moderate very rapidly, and I think they respected the United States more and more. And I think Grenada helped a lot.

Q: Well, it showed we can act on something that really nobody wanted. It was a sort of renegade government which looked like it was running wild.

MIDDENDORF: And I agree with what you said too, I think that they are people, and I think you really...of course, as ambassador, you really have to work making these as your friends, your best friends, and you have to work at it all the time, in the evenings, or in the daytime, and what have you, but in the evenings especially, and their wives. I mean you really have to work at it. But also you have to work at getting around to those countries. I personally viewed this very seriously and I went to every one of these 31 countries four times at least, and worked with their Prime Ministers and Foreign Ministers on all these issues. I think it paid off in the end. As ambassador to the OAS, or ambassador to the European Union, you have a kind of free opportunity to go to all countries, and that's your job. And you get out there and you make your case whether they agree with it or not, you're in a position in a sense to make your case and make friends, and eventually when the great nightfall comes they are more likely to be with you. I think that's what happened in both the European Union and my personal experience in the OAS.

Q: What about the last thing on this OAS business, how did El Salvador, Nicaragua conflict play out in the OAS during your time.

MIDDENDORF: It was an extremely active deal at all times. The El Salvador and Nicaragua deal, I mean the United States was very, very aggressive on this whole

question of the Contras. You know it's a real in-battle, so to speak going on all the time. I would say a substantial portion of Tom Enders or Tony Motley's time as Assistant Secretaries for Latin American Affairs was spent just on those issues. And my experience—I was down the hall from them—and I could see they were embroiled in it all the time. And even in our staff meetings every morning when we'd go around the table to Ecuador desk officer, Argentina, or what have you, it was always a good deal of the discussion was on the Contras, and the Sandinistas and what they were up to.

Q: Up to '85, what was your role on the OAS on that?

MIDDENDORF: Well, obviously you could make the role anything you wanted. You could lay back, or you could become quite active in making your case. I mean they all knew I was totally supportive of U.S. policy in those days with all those issues. They all knew where I stood. In the beginning there would be criticism, but at the end I don't think they had any criticism. I don't recall any, and I remember many times when I needed a critical vote, the Nicaraguan ambassador would vote with me at my request, I'd ask him.

Q: Then you left there really on quite a high note. I mean it was an instrument that was not...

MIDDENDORF: George Shultz called me one day just after the November elections, and asked me if I would be kind enough...

Q: This is November of '84.

MIDDENDORF: Yes, about the 12th of November, and asked me if I would like to go European Union, it was then called the European Community—it had previously been called the European Economic Community, which is really how it got its strength. So I said I would let him know, and I talked it over with my wife, and she said, “Hell, no.” She was furious at me. But at any rate I decided to go ahead anyway on it, and showed up there and I guess I may have presented my credentials a month later.

Q: So you were there from '85 to '87.

MIDDENDORF: Yes, '85 to '87. I mean I went through a very quick hearing.

Q: During this period in the mid '80s, what does the American Ambassador to the European—I keep wanting to say the Economic Community—but the European Union—what does he do?

MIDDENDORF: Well again, there the first thing you're confronted with is the expansion of the European Union to include Spain and Portugal. What does that mean? It means that some of our major exports are up for grabs. The French immediately saw that our principal exports over there, first to the second largest export the United States has, was corn gluten feed and soy beans. We were exporting to Spain and Portugal, we had a sort of special relationship with them. The French said immediately they decided to go after that quota, so to speak, and grab for themselves as a price for letting Spain and Portugal in. Well this would have caused a virtual revolution in the farming states. It would have been horrendous. So Frank Yaeger, who is probably the most effective, aggressive, special representative I ever saw, at a moment's notice would fly over and we'd have big negotiations with Willy de Clerk who was the commissioner for external relations. And Willy de Clerk was a wonderful, northern Belgium, Flemish speaking, down to earth speaker, and person. I mean who was a brass knuckle negotiator, right to the last minute would always keep you hanging, but in the end we prevailed. Although negotiations may go on for days, but in the end the Lord was with us, and we were able to prevail and preserve our major export from the French.

There were a number of issues. When you're ambassador to the European Union, its all trade issues. I mean you're always fighting over something, somebody is trying to grab what you've got.

Q: Were we trying to grab anybody else's?

MIDDENDORF: Well, the air bus situation. An air bus being an European airplane. We had Boeing so we were fighting for Boeing all the time. Boeing was the show in town, a U.S. show. The French got ahold of the Germans, and they got the Germans to go co-production. So they were able to get their alliance on the thing. And our friend down in Munich who had aspirations—a wonderful guy, Franz Joseph Strauss—Franz Joseph Strauss was on the board, and he was a real apologist for the air bus, and made it tough as hell on us. It was one thing to have to battle the French, but its another thing to have to battle the Germans and the French on that thing. We wanted to export the better product and they were subsidizing, and we could prove it. We had big arguments over—and perhaps they still go on—over this hormones in meat. The American meat exports to the European Union was a very important thing. So they came up with what I perceived as an untapped barrier, they wanted to preserve their own meat industry, perhaps much less quality, in my opinion, in most cases. So in they came with that hormone argument. We apparently fatten up cows in the mid-west with hormones until the last 90 days. There's no trace, no scientific trace of any residual hormones. In fact, there are normal hormones in the body. But at any rate, that scared the hell out of a lot of people and they made a huge issue of it, there were pickets around, as if we were murdering babies. It became a very big issue. It seems that those things shouldn't be a big issue, but they are big issues. We had to argue and fight it. Secretary of Agriculture came over from time to time. We were always in there fighting on that issue.

Q: Again, how did you find it worked? I mean, in a way I would think the Germans and the French on the air bus they've got their interest and no matter what you argue its not going to change them. They're not going to argue and change you. Do you have to work on the other members?

MIDDENDORF: Yes, you have to get all the rest of them lined up. You always win, we won every battle.

Q: I take it though the fly in the ointment was always the French.

MIDDENDORF: Their ambassador was a socialist. He was their commissioner, the French had two commissioners, he was a delightful guy, by the way, and a great intellectual, but certainly no roaring friend of the United States. He would always lead some great support team down to support the Sandinistas, or offer some cash for these deserving Grenadians. And for the European Community to spend some money on those people, I thought was outrageous, and I would always protest that. And then Jacques de Leurs, who was the president of the European Union, was also a French socialist, and always had eye, in my opinion, on Paris and the developments going on down there. He was also very much responsible for the coming together of the community, but not necessarily for the good. I think that as the community pulls together, and in Brussels there's a huge bureaucracy developing, all of which are cooking up environmental protection laws and all that, some of which may be very deserving, but some of them may be a huge handicap for any business production, whether they can shoot crows in English farms, and who can shoot them, that sort of thing. Well, it's going on and multiplying. And the European parliament, which I had to deal with all the time, is made up not by political parties, or not by countries representing as on an English bloc or a German bloc, or a French bloc. The communist bloc, socialist bloc, is spread across country lines, so it's a horizontal delineation, not vertical. So you've got the conservatives in England allied with some conservatives in France. You've got the socialist labor party viewpoint still representing parliament, and England is not represented in that sense.

Q: Did anybody ever sort of turn to you and say, you're not a European, stay out of this particular issue, or something like that?

MIDDENDORF: Oh, everywhere. I mean I was just as much a part of the woodwork as any of them. They knew where I was coming from, we had trade issues, and whenever

the Europeans start—its a huge big bloc—and whenever they start to move around some American interest is going to get hurt because they're a 600 pound gorilla.

Q: How about the Japanese?

MIDDENDORF: The Europeans knew how to handle the Japanese. The Japanese came in in sort of predatory way on their automobiles, and the Europeans set up a non-tariff barrier and required all their cars to come to the port of Marseille through a laborious inspection route, so they probably got three cars through a day. They just handled them that way. They didn't say, we don't want your big cars over here. At that time we were producing cars that weren't necessarily...and Ford and General Motors were very effective producing a Ford and General Motors that looked like a European car. But our so-called exports weren't effective because our cars just weren't as good quality really. But there was no restriction on bringing an American car in, it always wouldn't sell. People just didn't want to have them because the roads are narrow, and they use a lot of gas, and the people are very frugal and gasoline is very expensive there, it's triple the price we have here. So anyway, Europe is a vibrant place. Lord Caulfield was shipped down by Maggie Thatcher, probably not entirely to see what he could do in Brussels, but also probably to relieve her of some responsibility for him in the cabinet in London. But at any rate he came down, and he decided that if he was going to be farmed out to Siberia, which I think he probably thought, but if he was going to be there he was damn well going to do a good job, and confound his enemies, and surprise his friends. So he got very active. I met with him a number of times when he started this process on a 300 point white paper, 300 issues to be resolved for the European Union to go forward on a truly Common Market, common currency and everything else. And all these roadblocks had to be approved both in the countries themselves, but also by the European Commission. There's a series of approvals that were required, a very laborious process. He did a superb job if you call bringing Europe together and breaking down all the barriers, it was a superb job but not necessarily in our best interest. In the end I felt very strongly it probably was in our best interest to have a united Europe. Not just because a strong united Europe that wasn't

always warring at each other was necessarily best for our trade interests, but I looked at them as a united Europe was a great bulwark against communism, so individual countries couldn't be picked off one by one.

Q: We're talking about '85, before the collapse of the Soviet Union. I would think in the back of everybody's mind would be you really want the Germans inside the tent, and part of the process, and not somehow left to themselves, because even before they were united we'd had enough problems before. I don't know, but was this part of the background thinking and one you could never express.

MIDDENDORF: Well, it was certainly the view of the Dutch...the Dutch have been run over by them, and possibly the British, and the Luxembourgers, and Scandinavians too. Europe is made up of two compartments. There is that latent feeling about the Germans, but Europe is split more into what I consider the south have-nots, versus the north haves. For whatever accident of history, or accident of make-up, the northern folks make a little more money and seem to have more cash around. The southern bloc is led by the French, Italy, Greece—you were there and you know far better than I do—and Spain, Portugal, and France, that's the southern bloc and they're always looking for something from the north, some subsidy or a little bit more access to something. Whereas the north knows darn well that they're being taken, but for unity they're willing to pay that price—the Dutch especially, who as I say are very external, 60% of their gross national product is exports, so the Dutch are an external nation. They live beyond their borders, so to speak, they don't look inward at all. Ever since the 17th century, the age of Rembrandt, the Dutch have been the great merchants of the world. They're really very great Atlanticists, they're wonderful. So it comes down to the Dutch, and the Belgians, and the Luxembourgers, and the Germans, and the Danes, and the British—the British are late in the Union, but the British are trying to hold on what they got, not give up too much in the way of subsidies. And the British, curiously enough — even though they led the charge against the Belgium ex-Prime Minister and have blocked the common currency — the British are good leaders in the Common Market. They've been very aggressive and active, and so have the Dutch.

The Germans have always sort of been understated. For some reason they don't throw their weight around.

Q: This has been true in foreign policy.

MIDDENDORF: I think they may be emerging now, but certainly not in my time. The Germans would always hold back. Perhaps its going to change. The Germans certainly have the power now with the East Germans. They are really the 600 pound gorilla in Europe right now.

Q: When you left in 1987 you felt the European Union was really rolling, and essentially in the long term would be a good thing.

MIDDENDORF: I supported Colfield, we were very close friends, and whether history judges me for making a horrible mistake—and I'm sure my Bruze group friends would be mad at me on this—but I strongly supported his concepts, and strongly urged him to continue on what he was doing, and told his friends back in England at the European Atlantic Group and others, Allen Dan's group and others, that he was doing a superb job. I feel stubbornly comfortable that this was the right decision, even though it may be trade-wise, it made them a much more strong, as we saw in some of these negotiations recently on the GATT, and we will see it in the future. They're very, very strong.

Q: Well, Mr. Ambassador, why don't we stop at this point.

End of interview