Association For Diplomatic Studies and Training
Foreign Affairs Oral History Project

WINGATE LLOYD

Interviewed by: Charles Stuart Kennedy
Initial interview date: February 1, 2001

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INTERVIEW

Q: Today is February 1, 2001. This is an interview with Wingate Lloyd. This is being done on behalf of the Association for Diplomatic Studies and Training, and I'm Charles Stuart Kennedy.

Do you go by Win?

LLOYD: I go by Wingate, the whole thing.

Q: All right. Wingate, let's start at the beginning. Could you tell me when and where you were born, something about your family?

LLOYD: I was born in Philadelphia on September 16, 1931. My parents were both from Philadelphia. My father was in the banking business there. I grew up there through the war years, not particularly affected by the war. My father was old for the Second World War, having been too young for the First, and did not go away to war the way many of my friends' fathers did. It was an uneventful childhood.

Q: Well, let's start with your father. What was his background education, and where did his family come from?

LLOYD: He was born also in Philadelphia. He went to school there, went to Princeton, and went into a family banking business in his 20s.

Q: Yes, and your mother?

LLOYD: She was also a Philadelphian. Her father was a lawyer in Philadelphia. They lived 10 miles apart, and their parents knew each other slightly.

Q: Yes. Did your mother go to college?

LLOYD: No, she went to a girls' school in Philadelphia and did not go to college. It was not a good thing to do in those days.

Q: Oh, I know.

LLOYD: I think her father felt that giving a woman a lot of education would just cause her a lot of trouble down the line-

Q: Yes [laughter].

LLOYD: …and this was for her own good.

Q: [Laughter] Yes. Well then, where'd you go to grammar school?

LLOYD: I went to a private grammar school in Philadelphia called the Episcopal Academy.

Q: Yes.

LLOYD: I went there until the sixth grade, and then I went away to a boarding school in South Carolina where my brother had gone.

Q: What was the name of the school?

LLOYD: It was called the Aiken Preparatory School in Aiken, South Carolina. I spent two years there as a boarder, and then I went to St. George's School in Newport, Rhode Island, after that.

Aiken was a very good school, and I was able to do three years' work in two. That year gained had effects down the line. When I got to St. George's and began as a freshman in high school, but was doing sophomore work. I graduated at sixteen. St. George's participated in an exchange fellowship through the English-Speaking Union for many years. So I became an English-Speaking Union schoolboy exchange scholar in '48 to '49. I think, in looking back on it now with the perspective of fifty-odd years, that probably is what set me on the road for the Foreign Service and toward international work.

Q: Let us go back a bit to the elementary school and high school and prep school. What were your interests?

LLOYD: Not intellectual, probably my main interest was in sports. As I got through high school, I was a fairly good student, but uneven. I began to have an interest in history by the time I went to England.

Q: Well, you were a bit young, but at the same time you were certainly aware of World War II, weren't you?

LLOYD: Oh, very much so! I had uncles, parents of friends, and so on who were in the war.

Q: Did that engage you?
LLOYD: Oh, very much. I remember following where an uncle who was a colonel in the army was at a certain time or might be at a certain time, and where the front was (after the invasion of Normandy). I remember following that in great detail.

Q: Had you either at Aiken or at St. George's run across anybody in the Foreign Service or any family friends or anything like that?

LLOYD: No, I had an uncle who had been in the navy, who was the class of 1904 at the academy. He was naval attaché in Rome at one time in the twenties. At St. George's the influences on me were certainly not particularly looking toward public service, but certainly the war and its aftermath influenced us all. A lot of people in the years around mine went into the Foreign Service. In the classes of 1947 and 1948 about five or six out of a total of ninety students went into the Foreign Service.

LLOYD: I think that today you would not find one every five years.

Q: The navy being in Newport, did that have any influence on you at all?

LLOYD: Not much really. We were aware of the navy there, but the school was a mile or two from town, and we were pretty much marooned out there.

Q: No. Any languages or anything like that?

LLOYD: My mother had learned French. I guess it's sort of the thing that nice, young girls were supposed to do. She spoke it with a very strong American accent. I don't think accent was considered to be important; the words were what count after all. She spoke it reasonably well. She'd learned it in her teens and spoke it for the rest of her life off and on, but never really lived in the language. My father did not speak a foreign language. They had traveled a lot in Europe, not outside Europe until after the War.
Q: When you left St. George's you went to England. Is that right?

LLOYD: Yes, I went to Stowe School in Buckinghamshire. It was a school that had been established in the twenties in Stowe House, the palatial estate of the Dukes of Buckingham, which had fallen into disrepair. There were about 550 boys, 550 Englishmen and 1 American. It was a tremendous experience for me, a huge eye opening for-

Q: Could you talk about, because when one thinks about, well I mean, certainly the winter of '48, I guess, is one of the worst Europe has ever experienced and particularly right after the war. But I mean, what was your impression for-

LLOYD: Well, I was really not particularly politically attuned at the time. However, I was struck by the poverty of Britain, the destruction of the war. Bread came off the ration in the summer of '48. The British won the war, but bread was still on the ration three

years later.

Q: Yes. The Germans were doing better.

LLOYD: I think so. I had ration forms that were given to me as a visitor, as a landed immigrant, in Britain. I turned them over to the school for the things that were still rationed. Canned goods, tinned goods as they called it, were still rationed; clothing was still rationed. To buy handkerchiefs in London you still had to produce a ration book. I spent a lot of time walking around London; I did get time off there to see London either with other boys who'd come over from the U.S. or with British friends. It was extraordinary to see how little had been done really to repair the damage of the war, around St. Paul's for instance. It was so badly bombed. But the war was very much on everyone's mind. The food wasn't good. They said that the food at Eton was so bad that when the war came they didn't notice it. It was no worse; there was no change.
I should mention one connection that I had in England. My family had known for several years General Sir Reginald Wingate. He and my great grandfather (an American General, George Wingate) met in about 1909, and succeeding generations kept in touch. My father spent a year at Cambridge in 1923-24, and knew Sir Reginald well. When I was born in 1931 he was invited to be my godfather.

Sir Reginald had been in the British Army since the late 1880s. He was an intelligence officer, speaking Arabic, Swahili, and other languages. He went with General Kitchner to Khartoum in the 1890s to attack the Mahdi and avenge the death of General Charles Gordon. He became the Sirdhar - Commanding General - of the British Army in Egypt in about 1905. He retired in the 1920s. He had wonderful stories to tell, and a grand sense of the British Empire at its height. Although he was a very old man when I knew him, we came to know each other and he was very kind to me.

Q: Did you run across after the war a certain resentment of America, I mean that kids grabbed you?

LLOYD: Attlee had just come in a few years before. Churchill had been unseated. I think there was a certain resentment of the United States, of America's affluence and the fact that we were untouched by the war. I think that Britain was grateful for the contribution that the Americans gave with blood and treasure in that war. I do remember being loaned sports equipment, you know, rugby, cricket, or "fives" equipment or something like that, and it was called "reverse lend-lease" with a smile. I wondered what they meant the first time they said that, and finally I figured out what they were saying.

Q: Well, how about the studies? Had your preparation made you competitive?

LLOYD: Yes, I think so. I was interested both in science and in history. I remember when I first sat down with the supervisor of my courses, called my "tutor." When I told him I was interested in both history and science, and he said, "Well, you know, you're getting on, Lloyd. You're 17 now. You've really got to make up your mind!" because most of my friends had already passed what they call the school certificate and were

going on to a higher school certificate, now called A-levels and O-levels. They were focusing only in one field. They were doing all science, or all classics, or all literature. So that was a big difference between the British system and ours in that concentration was expected to begin at a much earlier age. The O-level, the school certificate that one would take normally at 15 or 16, was very broad though with eight or nine courses, many courses that were not taught in American high schools. So they got a good grounding at that level and were expected by the time they were 18 to have had a couple of years of real concentration in one area.

At 18 the boys left school to go in the army. The school was organized by terms. At the end of the term following your 18th birthday, that was when you left to go in the army. If you passed your A-level by that time, well and good; if you hadn't, that's all you're going to get. But you were going in the army then anyway. There was no academic deferment.

But the studies were very interesting. I took courses in history, literature, and chemistry. Several of the masters took an interest in me, and provided real insights into British life. I played rugby, cricket, fives, and learned a lot about Great Britain. There was a debating society. Contrary to the debating societies in American high schools which are so very dull and where you debate the latest tax bill while your friends sleep with their heads on their desks, we would debate such topics as "Resolved that Britain should become the 49th [state] of the United States." I was, of course, put on the affirmative side. The point was to make people laugh and to have a good time, and to be clever, much the way the debates in the House of Commons today there's a premium on humor and quick responses, rather than on dredging up mounds of fact. I had a good time doing that. There were a number of topics. One other one that comes to mind is "Resolved that This House deplores the growing tendency of sun to set upon the British Empire." So we spent an evening talking about that. There were some 20 people in the debating society, a very small group of the older boys. But about 400 came for a good time. So you were expected to play to the crowd, and I enjoyed that a lot.

Q: Oh! That's some training!

LLOYD: Yes, it certainly was.

Q: When you came back were you more or less set to go to Princeton?

LLOYD: Yes. I had been admitted to Princeton the year before and deferred for a year.

Q: Well then, you were at Princeton what, from-

LLOYD: Forty-nine to fifty-three.

Q: Fifty-three. What was Princeton like in '49 when you got there?

LLOYD: I think it was a mixture. It was all male obviously, all young men who were seeing the big world for the first time, and many who were very sophisticated and knew

what the world was about. I think I was probably somewhere in the middle or maybe on the unsophisticated side. Certainly from the standpoint of intellectual pursuits or politics I felt I was, as I look back on it now, not particularly aware of what was going on in the world. When I think of the H-bomb, when I think of the Fulton speech, when you think of the events of the late forties, I don't think I was particularly attuned to those things.

Q: Did the Cold War intrude much?

LLOYD: Well, I think it was so far away, and it was so unthinkable - yes, we could all be killed by a bomb - but it was unthinkable. So I don't think that people were sincerely concerned about it. There were some religious groups; some of my friends were in religious study groups of various kinds who, I think, gave some serious thought to these things. But I was not particularly involved.

Q: Princeton had the eating clubs, didn't they?

LLOYD: Yes.

Q: Did you belong to one?

LLOYD: I did. The two senior years one eats at one of those clubs. There had been an effort, just about the time that I was joining or maybe a little bit before, to stop the exclusionary practice of inviting only some people to join clubs and some people would be excluded. An arrangement was reached whereby everyone would get an invitation to join a club without exception, and if you wanted to join you were in. If you didn't want to join, you of course didn't have to, and there were other eating arrangements available if you wanted to do it that way.

Q: Did the clubs work as a focal point of social life or not?

LLOYD: Pretty much for the juniors and seniors, yes, for the last two years they were very much a focal point. These were apolitical students; certainly I was. I think that some people were more aware of what was going on in the world in '51 and '52. I voted for the first time in 1952. I think just trying to get my head around the differences between the two parties, the differences between what does it mean if you vote for a democrat for the White House and a republican for the Senate, what are the implications of that decision. So I was just barely beginning to understand.
Q: What were you concentrating on in studies?

LLOYD: I studied history, which was then and continues to be a lifelong interest. I studied American and European history.

Q: Did you find yourself concentrating on any particular field of history?

LLOYD: Well, my thesis was on the peace movements of the '20s. I did a junior paper on Alexander Hamilton and another junior paper on Robert Peel. My interest in the peace

movement had been sparked by a couple of summers I spent working for the American Friends Service Committee. During my Princeton years I spent a summer in Mexico in a work camp and a summer in Finland in a work camp run by a Finnish work camp association. This idea of work camps was established just after the First World War when young people went abroad to help in the reconstruction of Europe, some of the work that Herbert Hoover was involved in. There was something the French called the "Service Civil International" SCI that was established in the twenties. It was continued by a number of different organizations. The Quakers set up a work camp system, I think, before World War II and continued after the war. They had them all over the world.

Q: Coming from Philadelphia is your family of the Quaker faith?

LLOYD: No, but I was certainly aware of Quakerism. We were non-churchgoing Episcopalians. I found, though, that once I came to know the Quakers that I became extremely interested, an interest that continued for many years.

Q: When you went to Mexico what were you doing?

LLOYD: I was in a village with about 25 young people, mostly college-age, some of them a little older, maybe some of those 30, primarily American. Of the 25 probably 18 or 20 were American. The others provided an international influence, a leavening influence. We were involved in the building of a recreation area, latrines, and a schoolyard in Jalacingo, a small village in the State of Veracruz. The boys and the girls had separate work projects. The girls were supposed to be working with women and families and didn't do any manual labor. The boys all went out with picks and shovels and worked on digging latrines and that sort of thing.

Q: In Finland, you were there when?

LLOYD: It was the following summer. It was the summer of 1953, just after I had graduated from Princeton. There was a Finnish work camp organization called the KVT (Kansainvälinen Vapaaehtoinen Työleirijärjestö, the Finnish branch of Service Civil International) that had been established again in the twenties and whose idea was to bring people together. Its origins were religious, but there was no effort to instill in us the ideas of the Finnish Lutheran Church. The group there was far more international with only three Americans out of twenty-five, about half Finnish, but with people from Israel, India, Senegal, Switzerland, France, Germany, the Netherlands, and so on.

Q: What were you doing?

LLOYD: We were in Lapland, about 300 miles north of the Arctic Circle, near the Norwegian border on a lake that has on its other shore the Soviet Union. We were building a road and a school, a Lappish language boarding school. In the wintertime it was so difficult to travel there that Lappish children if they were going to get an education their language they had to have a place to stay at least for the week, because of the snows and cold up there. That was extremely interesting, and I really got a lot out of

it. For a time I was the co-leader of the camp, and learned a lot about how to encourage people to work together. Those were formative years, which marked me. I am in touch today with some of the people from that camp.
Q: Did the Cold War intrude?

LLOYD: Yes, I think so. I saw a first hand the effects of the confrontation with the Soviets. A young Dutchman appeared at the camp one day, unexpectedly. He had fled the Netherlands to escape the draft. When he was supposed to go in the army, he said he was a pacifist. The rules for conscientious objector status in the Netherlands were extremely strict. He thought he was going to end up in jail. So he simply took off, hitched up there for a time, and worked with us for about a month. Talking to him, certainly he was very much aware of the fact that we were all arming for a new war. This is 1953 and said he was about 18. He remembered the war a decade earlier very clearly: he'd been in occupied Holland at that time. It was interesting just to talk to the different nationalities there: an Israeli who had just come through the first of the Arab-Israeli wars in his early teens, an Asian Indian who brought home to me what had happened in the partition a few years earlier. I learned a great deal about the world at first hand from these people that I really hadn't learned despite all that education.

Q: Finishing that, I guess the draft was in full swing, wasn't it? It was right after the Korean War.

LLOYD: Exactly.

Q: After the Korean War, what happened to you?

LLOYD: I went to graduate school. I went right from Princeton to Johns Hopkins to SAIS (School of Advanced International Studies), here in Washington. I spent two years there studying international economics, international affairs, unconventional warfare, psychological warfare, and Asia. By the time I left SAIS in 1955, the draft was pretty much over, and I was married by then, too.

My parents lived in Washington at that time. You will recall that I mentioned that my father had been too young for the first war and too old for the second. I think that fact led him in 1950 to quit the banking business and work for CIA (Central Intelligence Agency), where he became an economist for CIA and then went on to be deputy director for management. He spent 14 years down here.

I was admitted to Columbia and to SAIS. In retrospect, I think I picked SAIS because my family was here. I enjoyed that a great deal. I learned a lot at SAIS. I've come to feel that I learned in spurts. There were times when I learned a lot and moved ahead very quickly on my understanding of the world, and there were times when I languished. Certainly I think Princeton was one place which I didn't take full advantage of, but I learned a great deal a SAIS; I learned a great deal at Aiken. Maybe it's a matter of having the right teacher.

Q: At SAIS in economics were you concentrating on any particular field?

LLOYD: There were basic courses in international economics. I took a number of courses in economics of Southeast Asia, of Malaysia. There was a lecturer from the University of Malaysia in Singapore there, and I took courses from him. I took courses from an American professor who was particularly interested in developing area studies in economics. At the end of my first year at SAIS it was suggested to me that I might like to go to the branch being established by SAIS in Rangoon. So during my second year at SAIS I spent a lot more time looking at Southeast Asia, looking at Asia, China, Japan, Indochina, and India.

Q: This would be around '55?

LLOYD: Yes. In '54 I was married. In '55 we went for a year or two to the University of Rangoon.

Q: What's the background of your wife, and how did you meet?

LLOYD: She's also from Philadelphia. We knew each other in college. She was at Vassar; I was at Princeton. Her college roommate was the sister of my college roommate. It was just as easy as that. Her father was in the insurance business in Philadelphia. He'd been brought up in St. Louis. My wife's mother was from Philadelphia, although she'd been born in France where her father had been a student in the early years of the century.

Q: Well then, you were in Rangoon from when?

LLOYD: Fifty-five to fifty-six, and it was a very interesting time.

Q: Yes.

LLOYD: We saw Khrushchev and Bulganin come to Rangoon, making a trip to the developing world during a period of heightened East-West tension. It was a period when Burma was a member of the non-aligned group. This was at the time of the Bandung Conference in 1955. Burma became independent in 1947 with the withdrawal of Britain from India. Aung San, the father of Aung San Suu Kyi, the woman who is now the leader of the opposition in Burma, had become the first leader of the country. The country was very poor. Before the war it had been very rich. It was very badly managed at that time. I suppose there was a great deal of corruption.

The proving ground for young politicians was the student union where you learned to debate and you learned to harangue the crowd, and you learned to lead. U Nu had been the president of the student union. At some point during the time we were there, there were disturbances brought on by students who were asking for changes in the university or changes in the society. Finally they closed the university, which effectively ended the life of the Rangoon Hopkins Center for Southeast Asian Studies. We had four graduate students from SAIS there, three others and myself. We worked as teaching assistants with a Hopkins professor and were doing some research on our own in different areas.

Q: What was your impression of the Burmese?

LLOYD: Very different from what the impression one would receive today looking at Burma the last decade. They seemed to be a highly religious people, a pacifist people very much following the tenets of Buddhism, not a warlike people, although in their past many wars with Thailand. They had been invaded by India, which is today Bangladesh, what they call India. They'd been invaded from the east and from the west many times. In the tenth century the Yunnanese people in China came down and took over their kingdom there. So, as the Burmese look at history, no good comes with dealing with foreigners. Foreigners are strange: foreigners are too different. In Burmese the word for foreigner is "kala," and the word for sit is "thaim." So the word for a chair was "kalathaim" - "where the foreigner sits" because they didn't have chairs. They saw themselves as very different, a unique society.

Q: This is during the time when they had the Red Flags, the White Flags, the communist guerrillas, Chinese more or less, and the Nationalist Chinese guerrillas.

LLOYD: Yes. You know about that! Did you see it in the cold war?

Q: I've read about it. I served in Saigon.

LLOYD: Yes, well, Burma was never "fully pacified," to use a British phrase. The British came in about 1875, something like that, and began to try to bring order among the tribes. There was no organized government in the whole of Burma. There was a kingdom in Mandalay, and Rangoon was a commercial center in the last part of the nineteenth century. Britain organized it more or less, but the Burmese were never really fully brought under British control. The Chin and Kachin tribes in the north and the tribes to the east then, the northern Shan and southern Shan states - retained a degree of independence. They were more or less under British control up until the war. The British used a system, as you know, where they would operate through existing means of control. They wouldn't try to put a British individual, a British army officer, in every village, but they would let the village headmen run things, and they would try to run things from the center. So when Burma became independent in '47, they still didn't really have control.

Karen is another tribe in the area toward the east of Moulmein. The Karens were of Christian.

Burma was an eye opener to me in terms of my understanding of the world, of what going on, and certainly of the East-West competition. They saw themselves as the middle of that competition but as non-allied.

Q: How were Americans treated there? Were you beginning to pick up hostility?

LLOYD: Occasionally, but not an important factor really. The people that I knew were primarily academics. There were Burmese, Indians, Pakistanis and Chinese. A lot more

would depend on their ethnicity than anything else, the ones who were of Indian background, the ones who were Burmese background, the ones who were Chinese background. They would each come at the issues of the day from those different points of view.

Q: Did events in Vietnam penetrate there at all?

LLOYD: Not really, not really. I think what was going on in Hanoi in…that was, Dien Bien Phu-
Q: Dien Bien Phu was '54.

LLOYD: Right.

Q: Fifty-five was when basically so many of the Christians from the north fled to the south. I was just wondering whether-

LLOYD: Yes. There was little understanding of Vietnam in Burma. Burma looked primarily to India and Europe. In Burma, Hopkins put on an academic conference bringing people in from different parts of Southeast Asia to consider issues of economic development, underemployment, commodity prices, that sort of thing, much more on the economic side than political. My wife and I went to Angkor Wat in December of '55. Of course, Cambodia wasn't very far from Vietnam, and it seemed to be very French and a whole other world.

Q: You left there in '56 whither?

LLOYD: Yes, we came back to Washington. I had passed the oral before going to Burma. I took the written Foreign Service exam in 1953 just after the summer in Finland. That was the time when there was a long lag between the written and the oral. I took the oral in February of '55. They were perfectly happy to have me defer for a year. So I came back in the fall of 1956, took a temporary job for five months with the Limnology Department of the Philadelphia Academy of Natural History, and then came into the Foreign Service in March of '57.

Q: Do you recall any of the questions or how the oral exam went?

LLOYD: Well, I remember it's quite different from the one today, of course, the so-called practicum that's being used today. I was questioned by six or seven senior officers sitting in a semi-circle. I'm not sure whether Herbert Fales was the chairman of the board of examiners at that time or not. The questions seemed to be a lot about history and geography. I took the exam in February of '55, just at the time when there had been a cataclysmic change in the Kremlin. A friend who had taken the exam six months or a year earlier said, "Let me give you a tip. Read the papers the morning you go in. Don't get up and feel you're in too much of a hurry or too nervous to read the papers!" So I did. A lot of the questions had to do with "How would I interpret the changes in the Kremlin? How did I see the effect of..."

Q: Yes, right.

LLOYD: This was the morning after a cataclysmic event that people were trying to understand in this country. The examiners obviously didn't expect me to have any extraordinary perceptions, but the questions were hard to handle.

Q: Yes. You say you took the written exam in '53. What pointed you?

LLOYD: To decide on that?

Q: Yes, I mean, why the Foreign Service?

LLOYD: Well, I think I was looking at a number of options at that point, and that seemed like an interesting one to explore. By no means was I into the Foreign Service from a tender age. I was somewhat uncertain about working for the U.S. government. I think I had misgivings about the U.S. government, both from the standpoint of dealing with a bureaucracy, and with policies that my pacifist Quaker mentors objected to so strongly.

Q: Did McCarthyism intrude on you?

LLOYD: It did. Owen Lattimore, a Professor at Hopkins, had been the director of the Institute of Pacific Relations in Washington. He was attacked by McCarthy. It was he who used the famous phrase, "Agrarian Reformers" when speaking of the Chinese communists. The Institute of Pacific Relations was considered to be a communist front and was belabored by McCarthy. Certainly, being in Washington in the period '53 to '55, I remember watching the Army-McCarthy hearings on a television set about eight inches in diameter, or something like that, in the basement of the SAIS building with a lot of other students. That was a gripping moment to see Cohn and Schine and McCarthy, and Joseph Welch, the Boston lawyer who came down and after McCarthy.

Q: As with so many, I take it that the McCarthy side did not hit a responsive chord for you?

LLOYD: Well, responsive in what way?

Q: In other words, you know, there were many Americans who felt that McCarthy was on the right track.

LLOYD: Yes. I think I felt, as my friends felt, that he was a mad demagogue. We wondered how far he would go, what he would do, and were there any limits on him? We weren't able to put him into context: Acheson's statement that he would not turn his back on Alger Hiss, Dulles' unwillingness, Eisenhower's unwillingness to take on McCarthy. Those were things that I only learned really by reading later and understanding later. But at the time I don't remember being outraged, for instance in 1955, that the president didn't do something about this fellow.

Q: You came into the Foreign Service in 1957?

LLOYD: Fifty-seven, yes.
Q: Had any of your friends, say from Princeton? Princeton seemed to have been a major supplier of the Foreign Service.

LLOYD: At SAIS at that time there was a great deal of interest in government work, in the Foreign Service, or in AID (Agency for International Development), or private activities such as CARE (Cooperative for American Relief to Everywhere). The great majority of the students were looking to go into the public sector. I'm teaching at Georgetown right now in a course where the absolute reverse is true, where only a very small number have any interest in the public sector. The great majority are interested in business.

Q: Yes.

LLOYD: But to return to the thread of how many friends came to the Foreign Service with me, there wasn't really a group that I can recall.

My first post was in Washington. I was assigned to the Economics Bureau, Economics and Business Bureau today, in what's now called, I think, the Office of Maritime Affairs. It was the shipping division in those days.

Q: Before we move to that I'd like to talk about your basic officer course.

LLOYD: Yes.

Q: What was its composition, and can you characterize the people in it?

LLOYD: I have kept up with a lot of them. For many of us the A100 course is the, you know, your first introduction to the Foreign Service, your first post, in effect, for three months. I didn't think it was particularly well run or particularly interesting. I don't think I benefitted, quite frankly, as much as I should have from it. I'm sure that they did their best to drum something into our heads, but I don't think I got a great deal out of it.

Q: You were in the Economic Bureau dealing with Maritime Affairs from when to when?

LLOYD: From June of 1957 until about September of 1959, something like that, a little more than two years.

Q: What did your wife think about Foreign Service as a career?

LLOYD: Well, you know, women of the fifties expected to get married and raise children. I think she saw that it would be a challenge, but we had no idea how much of a challenge it would be! The parents of a friend of hers and mine had brought children up

in the Foreign Service and found it a great thing and a very positive influence on their lives. There were none of the pressures of the seventies and later for women to work. My wife's degree from Vassar was in English literature. She was expected to be able to read intelligently to her children, and that was about it, I think.

Q: Oh! You were dealing with Maritime Affairs, which seems like eons ago in a way, doesn't it?

LLOYD: It really does. In many ways it was a terrible first post. I should have gone off and been a junior officer in a big embassy where I'd learn how the Foreign Service works. Instead I was stuffed away in State Annex 20, which has now been torn down, with a group of civil servant specialists.

It was a backwater of the Foreign Service. There was one junior officer slot in an office of four or five officers. They would send somebody from the A100 course through there every couple of years. The other people all knew their way around Maritime Affairs and had many years of experience in it. But it was a terrible place to put a junior officer, although I have come to believe, and I tell young people today that everything you learn, everything you do can be useful to you. Toss it in your rucksack and keep on going. You'll find that one day you need to know what the Load Line Convention was and what the Safety of Life at Sea Convention involved.

Q: What sort of things were you doing?

LLOYD: I was dealing with international treaties in the maritime field, with the financing of the North Atlantic Ice Patrol, which had been established following the sinking of the Titanic. The United States ran Coast Guard cutters all through the North Atlantic looking for icebergs and sharing the cost. I was in charge of trying to manage how those costs were shared, so that it was almost clerical process. There was some hint of trade policy involved in discrimination with regard to maritime policies, but I didn't get into that very much. As the junior officer at the division level, my boss reported to an office director, who reported to a deputy assistant secretary. So I was far away from the policy side.

Q: It sounds like a place that would be pretty much a civil service area.

LLOYD: Yes. The head of the office was a former captain in the Coast Guard. The deputy director, the number three, and so on, they all had experience in the civil service. There was one fellow who was an FSR, who'd been a maritime attaché in several posts. He had been to the naval academy for a couple of years and was "bilged out" in the thirties when they cut the appropriations. So everybody had a connection with the field. I was, 25 or 26, and they were in their late 40s and 50s at that point and had many years experience.

Q: Did you have much connection to the State Department? Were you pretty well isolated?

LLOYD: Yes. While I did some of the ususal work of clearing cables, or writing letters to the Hill, of dealing with Congress, reading dispatches, and so on. I got a general idea of the Foreign Service. But I would have learned a lot more, as I say, had I been assigned to a post of broader interest.

Q: In '59 I guess you're due to get out?

LLOYD: So in '59 I went to French language training at FSI (Foreign Service Institute). I'd had some French at SAIS and some in high school. I then went to Marseille, my first overseas post, as the economic commercial officer.

Q: You were there from '59-

LLOYD: After about three or four months of language training, I arrived in Marseille in January of '60, and left in about February of '62.

Q: Yes. What were you doing?

LLOYD: I was the economic officer in a post. There was a consul general; then another fellow older than I who was doing political work; and I was the economic officer; another colleague was doing consular work and there was an admin officer. So there were five of us altogether, five American officers.

Q: Who was consul general?

LLOYD: A man named Donald Edgar who had been consul general in Alexandria. He'd served in the Middle East and in Europe and was, I think, rather disappointed that his last post was going to be as consul general in Marseille. But he was in his probably mid-50s, had a good time, seemed to enjoy himself, and did a good job.

Q: Did we have a consulate in Nice in those days?

LLOYD: We did have a consulate in Nice, yes. It had only the department of Alpes-Maritimes, because of the tremendous number of American visitors. Our consular area had all the rest the southern part of France, all the way to the Spanish border. I had a great time traveling on behalf of American commercial interests.

What I really did in Marseille was to learn French. My friends had been assigned to Paris in their first posts, and I envied them. But the French wouldn't talk to them because the French were bored with Americans. In Marseille I remember an evening where some French friends brought us along to a party. The people at the party said, "You're Americans! How interesting! We don't know any Americans, and you speak some French. How very interesting!" Well, it really gave my wife and me a leg up on understanding in depth the culture and the language. My French improved rapidly as I came to be able to work in the language. I gained a real insight into France, French culture, and the different sides of French culture.

At this time, one interesting aspect of life in France was de Gaulle. Remember the coup was in 1958. He became president on the promise that Algeria will always be French, and he went back on that during the time that we were there. There was outrage in Algeria, outrage in France. De Gaulle was being pilloried by the public as it became increasingly clear that Algeria would someday become independent.

Q: Of course, Kennedy became president at this point, and his one foreign affairs thing was making a speech in the Senate being sympathetic towards freedom for Algeria. Did that have any repercussions or anything?

LLOYD: No, by far the most important repercussion was that there were Bouvier families in southern France. There was a Bouvier family in every village or they turned up a Bouvier trace of some kind, and they all wanted to be part of the Camelot story that was going on in the United States. There was no memory of that speech by Kennedy.

Q: What in economics, I mean later Marseille became known as sort of an area for the drug traffic, but how about-

LLOYD: It was the largest port in France, and it became increasingly important as France's ties with the African countries began to diminish. As a port it was important; as an airport it was important. But the most striking feature was the arrival of the colonial settlers.

Q: From Oran?

LLOYD: The "pieds noirs" (black feet) from North Africa. The OAS (Organisation de l'Armée Secrete, Secret Army Organization) was active, the Organization of the Secret Army as it was called. They were a terrorist organization set up by French right wing forces determined to keep Algeria French. I remember going to people's houses and being warned by someone that "you will meet someone tonight whose name you'll be introduced to him as Pierre. That's not his name. Don't ask him what he does, or where he's been, or why he's here. Just talk to him about everyday events." But they were nervous about having an American official in contact. There was a lot of clandestine movement, I think, between Marseille and Algeria.

Q: Did we have any brief on this? I mean was it just something that was their problem, or did we have a stand on any of this?

LLOYD: I don't think we did. I'm sure that EUR (Bureau of European Affairs) had a policy toward the decolonization of Algeria. The pressure on France from foreign settlers was not really important at that time. There was not yet a wave of Muslim immigrants coming into France. Instead it was a group of dissatisfied, angry Frenchmen who had lived in what they considered to be part of France across the Mediterranean for two, or three, or four generations. I remember talking to many of them, to their wives, about their despair at leaving a life that they'd known, that their grandparents had known, that they

thought would always be guaranteed to them. The forces that were in play within France were very strong, but it was very much an internal French issue, I think.

Q: Were we under instructions to keep out of it?

LLOYD: I suspect so. It's something I didn't get into. I don't think the consulate was brought into these issues very much. I was doing some consular work in the area, which I found very interesting, and again, something that was helpful in terms of understanding the people and in building my knowledge of the language.

Q: Did you have any particularly unusual consular cases? The area, the Riviera, and all that, brought a lot of fairly well-to-do Americans, and I would think they would get into trouble.

LLOYD: Yes, they did, and they also died from time to time. There was a normal run. We had American ships calling; we had the Sixth Fleet calling in Marseille. It was a constant area of activity for the consulate, escorting the officers from the ships on calls on the local leaders, and so on. Once when a U.S. embassy officer from Berne died while on vacation in Corsica, I remember going down there to help his family through that process and get him out of there. It's challenging to do consular work when you're not in your office. You don't have a typewriter, and you're carrying seals and documents the best you can.

Q: Yes, yes.

LLOYD: But I found that interesting. As I say, it opened a window on French society. The people in southern France are, as you can imagine, a mix. In Marseille there were a lot of Greeks, Italians, and Corsicans. So it was a cosmopolitan group.

Q: In Paris, of course, at the embassy if you're dealing with matters, you end up having to deal with the intelligentsia. Was there a comparable group in Marseille?

LLOYD: Not really. We didn't know any academics that I can think of. We knew a lot of business people, some who were our age, in their 30s perhaps, a little older than we. We got to know a couple of families, a man who was the president of the chamber of commerce. He was importing spices from Africa. Apparently the standards for importing spices allowed no more than a certain amount of rat excrement to be included in the spices. The people he was exporting to in New York found a higher percentage through a certain size screen. I learned a lot about rat excrement-

Q: (Laughter)

LLOYD: …and about the screens and the complaints, the classic trade complaints.

Q: Yes.

LLOYD: So his was a family business. They'd been spice importers from Africa for three or four generations. I got to know this family, a very nice family, quite well. They had children who were only slightly younger than we were. I. So we were included in some of their family gatherings, which was very unusual for Americans-

Q: Yes, yes.

LLOYD: …for a foreigner to be included in a provincial French family.

Q: Well then, you left there in what? Sixty-

LLOYD: I left there in early '62 for home leave and transferred to Douala. When the telegram arrived, I looked on the map and couldn't find it because there was no post there, and I realized I'd been sent to open a post in Cameroon. I went there in April, of '62 after home leave. Douala, I'll point it out to you.

Cameroon had been a German colony until World War I. There was a strip of Cameroon along the Nigeria-Cameroon border where the northern part went to Nigeria (as one looks at the map you can see it; there's sort of a notch there), and the southern part went to Cameroon. It was a bilingual country in terms of European languages. The people in the western part of the country spoke only English and no French, and the ones in the eastern part spoke only French and no English. The post in Douala was to facilitate movement of Americans. We had just opened embassies in most of West Africa and Central Africa at that time. One of the major airports in the area was Douala.

Q: Now Douala was not the capital.

LLOYD: It was not the capital. The capital was Yaoundé. Our Embassy there was opened a couple of years earlier. The Consulate at Douala was a small post. At the beginning there were three Americans: a USIA (United States Information Agency) Branch PAO, one American secretary, and myself. It gave me a sense of what it takes to open and post and really do all of the things involved: the administrative work, the budget and fiscal work, the consular work, the political reporting, the economic reporting, and so on. I had seen some of that in Marseille, but I was doing it all there. I was in charge of the post for the first four or five months.

Q: What were American interests in Cameroon at the time?

LLOYD: I think now the overwhelming American interest in Cameroon was the issue of race relations in America. Efforts by USIA to portray movement toward racial equality were probably the reason for much of our activity in Africa at that time. We had minimal trade interests. France was overwhelmingly in control of the area. French companies had offices throughout what had been French Africa, and they more or less ran the show. We eventually had two American officers in the consulate; the French consulate general probably had ten. They considered it very much an extension of the French colonial times.

Q: Did you find that you had to walk carefully there vis-à-vis the French?

LLOYD: I was very comfortable with them. I was comfortable in the language by that time; I spoke it well. I was able to joke with them about their continuing colonial views there. They shrugged and took that for what it was worth. American exports into Cameroon, as I look back on it now with more knowledge of trade policy, were probably being stymied at every turn by France. I'm sure that a French assistant was sitting behind the minister of economics when they looked at tariff schedules to ensure that French products got priority. While there were some American automobiles, it was very difficult to get any American products in there at all.

Q: Still, why Douala, because we-

LLOYD: It was a transportation hub for the newly opened posts in what's now called N'djamena in Chad (then called Fort-Lamy), Yaoundé, Bangui in Central African Republic, Libreville in Gabon, and Lagos, which was then the capital of Nigeria. It was a transportation hub for all of those posts. Everything that came to any of those five posts came through Douala. The overnight flights from France - 707s - would arrive at noon, go south to Brazzaville, and then stop in Douala late in the afternoon before returning to France. There were no non-French air carriers or steamship lines.

Q: Was Douala a port?

LLOYD: A port? Yes, located about 20 miles up a shallow river, the Wouri.

Q: Were we concerned about Soviet ships and that sort of thing?

LLOYD: Not really. Some American ships came in. I had a captain come into my office once. We had just opened the consulate, and I had a galvanized pipe that was my flagpole. He looked at me and said, "Young man, I've been traveling for 30 years around the world, and this is the worst American consulate I've ever seen in my entire life." But there was no particular Cold War interests in terms of Chinese or Soviet involvement in the area. There was a Soviet embassy and Eastern European embassies in Yaoundé. They were not really an issue for me.

One event happened that I should mention during the time I was in Cameroon. In the spring of 1963 a plane from Douala heading for Lagos on a cloudless day decided to take a turn around Mount Cameroon, which is a 13,000-foot mountain just to the northwest of Douala about 30 or 40 miles, I guess. It flew into the mountain. Clouds covered over the mountain at the last minute. There was a State Department courier on board with pouches, an American secretary from the embassy in Yaoundé, and about 50 other people, mainly French. I had climbed the mountain earlier in the year with a group of French, Americans, and others, just for the experience, so I went up the mountain again. The plane crashed in an area that had no roads, in heavy jungle. We had to cut a way up there. It crashed one afternoon at about four or five in the afternoon. We heard about it

that evening. The local army station in that area had sent some people out to try to get to the site for survivors. They brought our courier down, who was still alive. It took 16 men eight hours to bring him down because they had to take turns carrying a litter and it was very difficult terrain. He later died. There was a lot of concern, as you can imagine, for the pouches. My job was to go up and get the pouches. I spent almost a week on that mountain, the first five days with the 50 bodies-which were in greatly deteriorated shape in the sun-with a group of other people. There was one Peace Corps volunteer. It took a fairly young, energetic group to do that because we were living just out of what we could carry up there. But the Peace Corps pulled the Peace Corps volunteer out because they didn't want him associated with any official U.S. government activities in the area. We never found any pouches. We found melted metal clasps with attached pieces of cloth that had been our pouches, and melted glass containers. The aircraft had been fully loaded with jet fuel, and it exploded as it hit the mountain. We searched up and down, and security people came from the embassy to take a look for it. People much older than I came up, were exhausted, drank a liter of our water which we'd had to haul up there, and then went back down again. I found that a threat, and went out and buried water so that we wouldn't run out ourselves. Anyway that was an exciting event, but unsuccessful in terms of finding the pouches. For a young officer it was an exciting adventure.

Q: How did you find dealing with the Cameroonian government?

LLOYD: They were pleasant and warm toward us. They were very oriented toward France. At least in the eastern part of the country, their training had been entirely by French administrators. I got to know the president of the chamber of commerce reasonably well. They spoke really quite good French. They had no particular differences. We didn't have a lot of business.

I guess the main political issue was the integration of eastern and western Cameroon, these two areas that had come together just about six months before I opened the post. The leader of the eastern part spoke no English, and the leader of the western part spoke no French. They were president and vice president of the country. To their consternation they could only do business through and interpreter, and Englishman. I think that was irritating to have a vestige of colonialism sitting there making it work.

But they had totally different systems. In fact, the calls from Douala to Lagos had to go through both Paris and London. You couldn't call directly. You could hear the operator in London speaking broken French to get a call through.

Q: Who was our ambassador?

LLOYD: A man named Leland Barrows, who had been a long-term AID officer, knew and liked Cameroon a lot, was very sympathetic and was known to be sympathetic toward the Cameroonians. I don't know what his background was, but he'd served in Africa. He did a very good job as ambassador. I didn't see a great deal of him. When he came through Douala I did see him, and I came up to the embassy a few times.

The climate in Douala was very different from Yaoundé. Yaoundé was at about 800 meters or about 2,500 feet, and was relatively temperate. In Douala we were right at sea level, very wet, three or four meters of water fell a year. So it rained constantly. The area was impoverished because the rainfall had leached the nutrients out of the soil for the most part. It was a very poor area. They later discovered oil off Cameroon. I think that's the source of whatever wealth Cameroon has now.

But in terms of politics and the cold war, I don't think this was the front line.

Q: Peace Corps, what were they doing?
LLOYD: We had one of the first groups of Peace Corps volunteers. They were working in community development. There was a great effort made to keep them separate from the consulate and the embassy. I mentioned the Peace Corps volunteer withdrawn from the group that I took up the mountain. They had a doctor, and their doctor was not supposed to treat people in the embassy or the consulate, although on a couple of occasions - once when the wife of our USIS office was sick with hepatitis - we were able to press the doctor to help us. That was the style in the first couple of years of the Peace Corps. "We're not going to let that State Department co-opt us." I worked later with the Peace Corps in Morocco, and they were less concerned about that issue. But it seemed to me that they lived quite a comfortable life. They were, I think, solely in western Cameroon, in the English-speaking portion of it. There were probably 20 volunteers or so.

Q: Yes. What was social life like for you and your wife?

LLOYD: It was largely French. We knew some Cameroonians, but really not a lot. We saw largely the French business group that was installed in Douala. Typical was the CFAO (Compagnie Française de l'Afrique Occidentale), the French company for West Africa, which had offices in the former French colonies, mirrored by similar British companies that had offices in the former British colonies. If there's a thread through these posts that I've had, it was the colonialism and the post colonialism effects of that period, of these extraordinary events of the century before.

Q: I can't remember when it happened, but I think Senegal suffered when de Gaulle sort of made the offer of being part of the French and its own Guinea...

LLOYD: It was Guinea/Conakry. When they voted not to join the French Community, the French left, pulling out the light fixtures, the toilets, the plumbing, everything, yes.

Q: Had that happened during-

LLOYD: Cameroon had a much more benign transition. A common situation would be to have a French assistant to a Cameroonian administrator, who in fact had been in charge prior to independence. The roles simply reversed. He French assistant would defer ostentatiously to his Cameroonian boss because the roles had been reversed. The Cameroonians insisted on the full rights that the French had had and the same pay and

even home leave in France. So they got an annual trip to France, which was very nice.

I think we went out of our way. We went out of our way to make it clear who we thought was in charge. Things weren't run terribly well. The French consulate general in Douala was still very powerful. There were four; it was the British, the French, the Americans, and maybe one more consulate there. I came to know the British quite well. The German honorary consul was a German woman married to a Frenchman who had lived there for some time. Early on in my stay when I was learning the ropes (I was alone, living in a hotel room trying to open a consulate with a manual typewriter on my knees), I got an invitation to attend the 47th anniversary of the "glorious death of King Douala Bell." The party was given by his grandson. So I went to the party and I stood with the consuls over in a corner. I turned to the German consul (who was then, I guess, in her late 40s or thereabouts, and I was 28) and said, "What were the circumstances of the glorious death of King Douala Bell?"

She looked around and then whispered to him, "We hanged him." Apparently he had called in the British fleet when Germany owned Kamerun (with a K) in 1916. He got caught and was hanged by the Germans. But nonetheless, every year there had been a party for the glorious death to honor the anniversary. The grandson, a physician, was the doctor used by the German consul.

Q: [Laughter] Well, I think this is a good place to stop.
LLOYD: Yes, why don't we stop there?

Q: I put at the end of the tape so we know where to start. We'll pick this up. You left Cameroon in-

LLOYD: I left Cameroon in December of 1963 and arrived in Morocco in January of 1964.

Q: By the way, you were far from the thing, but you were there when Kennedy was assassinated.

LLOYD: We were on a ship, yes.

Q: How did that-

LLOYD: We were on a ship off Dakar-

Q: Yes.

LLOYD: …on our way home.

Q: Yes.

LLOYD: People were absolutely stunned. We didn't have access to either radio or

newspaper, so we had to follow it all later. We were out of the country for nearly eight years during the sixties, and indeed this was one of the most poignant moments of the sixties.

Q: Yes, yes, yes. Okay. So we'll pick this up in 19…well, really '64?
LLOYD: Yes, I would say January of '64 we arrived in Morocco.

Q: Great.

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Today is February 15, 2001. We're off to Morocco. Was this just a regular assignment, or did you ask for it, or how did it come about?

LLOYD: It pretty much just was a regular assignment. They were looking for a political officer in the embassy in Rabat. The timing seemed right. As I recall, I don't think there was any special process at that time for seeking open positions. I was off in Cameroon, as you know, with very little opportunity to see who was bidding on what job was open.

Q: Yes.

LLOYD: So in any case it happened.

Q: Yes. By the way, you were there from 1964 to when?

LLOYD: To '67.

Q: To '67. Yes.

LLOYD: What I'd like to do would be to talk a little bit about Morocco in general-

Q: Sure.

LLOYD: Morocco in 1964 was coming out of the period of the SAC (Strategic Air Command) bases. The Strategic Air Command had about six bases in Morocco.

Q: These are for B-47s, weren't they?

LLOYD: Well, they were for B-52s.

Q: B-52s?

LLOYD: The great big ones. This was before the time of intercontinental ballistic missiles, and this was the massive retaliation of the previous decade. There were huge bases in Morocco, a lot of American military and dependents. The bases were there for two purposes. One was for the Strategic Air Command, as I mentioned. The other was for

intelligence work. Apparently the propagation of signals in the airways was particularly good at that particular area.

Q: Yes.

LLOYD: For that same reason we had a VOA (Voice of America) station in Tangier that was better able to broadcast into Eastern Europe and the Soviet Union than other stations that were perhaps closer to that area. So these were three elements of our policies in Morocco in the sixties. By the time I got there in early '64, the SAC bases were closing down. The other two issues did remain. VOA was an important, a very important element in U.S.-Moroccan relations and the basis in many ways for American aid to Morocco, which was in technical assistance, in PL480 (Public Law 480), and in some straight economic assistance.

Overarching U.S. policy toward Morocco in the sixties was the relationship between Morocco and its former colonial power, France. The French embassy was bigger than any other embassy and probably than many embassies combined. They had ties of many decades standing into Moroccan government, society, and business. Moroccans still went to France for education. French was the lingua franca of the country, and virtually all important business, even between Moroccans, was done in French. Some Moroccan cabinet officers schooled in Spain from the former Spanish Morocco, found it very difficult to operate because their Arabic and the Arabic of their francophone cousins was not good enough to deal with policy issues. So the work of government was done in French. The French embassy could fit in very easily to that.

Morocco's role as a moderate Arab nation in the sixties was very important to the U.S. This was just prior to the Six-Day War. There were the aftermath, the Suez incursion of the fifties was behind us in the Middle East, but nonetheless the U.S. was looking for moderate Arabs to work to try to calm the situation in that part of the world.

Domestically in Morocco, King Hassan II was very much in power. He'd come to the throne in 1961, about five years after independence. He was a young man, about 32 or 33, and given to having a good time. People felt that here was a playboy who wouldn't make it. As it turned out, he had a lot of political skills and was able to divide his enemies and continue to be the focus of power, domestically and internationally for more than thirty years.

Q: By the way, there were two occurrences that had come. One was the birthday party and the other one was the airplane. Now did either of those things happen during-?

LLOYD: Those happened after I left.

Q: Oh, I see.

LLOYD: I knew both of the people on the wrong side of those events. One was Mohamed Oufkir, who was the interior minister, and the other was a man named

Mohamed Medbou, whom I knew quite well. He was a colonel then in the army and a personal aide to the king. Often as the number two person in the political section I would be charged with giving to Colonel Medbou a message for the King from the Ambassador.

So these were some of the policy issues that were active between the U.S. and Morocco during those years.

One question that came up that was very interesting was the role of the Moroccan dissident named Ben Barka, a leftist dissident intent on bringing about change in Morocco. If you can believe all that was written, apparently the king said to the French, "Couldn't you get rid of him, or take him away, or something?"

This became a major crisis between the French and the Moroccans, and had implications for the U.S.-Moroccan relations. As French prospects declined in Morocco, the U.S. was there as an alternative friend. The French were very much aware of that and were very anxious to keep us from moving in, from muscling in on what was their private reserve. In any case eventually this blew over, but it was a period of great tension and a lot of involvement by the U.S. embassy.

Q: This was the Ben Barka affair?

LLOYD: Yes, yes.

Q: How did we react to that?

LLOYD: The U.S. government said, "Well, this is a domestic issue for Morocco." But the Moroccans fired the French ambassador. The French saw this as a time when the U.S. would be moving in on Morocco, would be urging Morocco to take international positions that would be more friendly to the U.S. This was just approximately the time when France withdrew from NATO, from the NATO military forces. So U.S.-French relations were not particularly good. Chip [Charles] Bohlen was the U.S. ambassador in Paris for a good part of that time. So it was a time when U.S. relations with Morocco appeared to be improving at the expense of France, which was a factor in the cooling of U.S. relations with France.

To touch on a couple of other things: By this time I had spent nearly eight consecutive years in French-speaking posts, and could handle the language very well. I was given some interesting assignments as interpreter for various high level visitors. I had some interesting times in serving as a translator or interpreter for Averell Harriman, with the King, with Richard Nixon when he came to Morocco in 1967, Senator Ted Kennedy, Senator John Tunney, and with several others. There was a long series of intelligence exchanges with the Moroccans and a number of other things in which I was involved as interpreter. It was interesting to be in the middle.

Q: Let's just talk about some of these. You observed the king who had quite a reputation of being able to play Americans.

LLOYD: Yes.

Q: Did you see this in person?

LLOYD: Yes, he wasn't able to play Harriman - I don't think anyone could play Averell Harriman - but certainly the U.S. ambassador of that time, Henry Tasca, who was a protégé of Harriman's dating from the forties, later ambassador in Greece. He figures in some of your other tapes.

Q: Yes. One other thing, when Nixon was talking to him was it essentially sort of platitudes?

LLOYD: Nixon was to see the king on June 5, 1967. He arrived a day or so before. That was the first day of the Six-Day War. Nixon never got to see the King. A half an hour before the appointment the King sent word that Nixon was to see Ahmed Balafrej, the Personal Representative, who ranked the Prime Minister. The king turned him off that morning with about half an hour's notice.

Q: Nixon was at that time out of office.

LLOYD: He was out of office. It was after his defeat in 1962 when he ran for governor of California. He was obviously thinking about the future, and was traveling around and talking to people. I was impressed with Nixon. He met with Balafrej, and contrary to what you might have thought having been turned off at the very last minute, Nixon was completely relaxed, fully understanding of the reasons why the King could not see him at that time. I briefed him on what we were getting from the Middle East and from Washington. At that time there were reports in Morocco that American aircraft were bombing Egyptian positions.

Q: Now this is the story the Egyptians made. It was believed throughout the Arab world!

LLOYD: That's right. It was that that led to the burning of the American embassy in Tripoli and various other attacks on American facilities. In view of that, Nixon was fully understanding and had a wide-ranging discussion with Balafrej. It wasn't just platitudes; they talked about different parts of the world. By that time, it was '67; it was three years after Tonkin Gulf, and things were heating up in Vietnam. The U.S. was pouring military personnel into Vietnam. That was a concern for all of the Arab world, for all of the developing world.
I was highly impressed with Nixon. I had been fully prepared to be anything but highly impressed. He showed himself to be thoughtful, intelligent, and very adept in dealing with Balafrej. They had about a one or one and one-half hour conversation together.

Harriman was really at the peak of his power. This was a couple of years earlier, in 1965. Harriman came to Morocco, as a personal representative of President Johnson, met with the king for two hours, talked at great length about every part of the world and with great

erudition and knowledge of the facts and of history. At one point in the conversation Harriman gave a little advice to the king, a man probably 40 years his junior. Harriman was 75, and the king was about 35. Harriman said, "Well, you know, you might just look at the Shah of Iran as an example. Here's a man who has modernized a monarchy and has insured that he will be a continuing monarch."

Additionally, one little vignette about Harriman. The meeting was over at about six in the evening. Ambassador Tasca said to me, "Well, why don't you go home and get some sleep, and we'll do the memorandum of conversation in the morning." Harriman left immediately after the meeting with the King. About 10 o'clock that night from his plane we got a flash cable saying he was flying right to "the ranch" in Texas and meeting with Johnson the next day. He wanted to have the memorandum of conversation in his hands by the time he arrived. So I went in and spent three or four hours in the embassy writing up the memorandum of conversation, which I had from my interpreter's notes. He was still in the air when we sent it. About two hours later we got a response calling for a few changes in the memorandum. Harriman said the King had listed several countries in a different order than the order shown in the memorandum of conversation. I was 35 with my notes, and he was 75 and on an airplane-a very impressive mind!

Q: Yes. Your job was what? Where did you fit within the embassy?

LLOYD: I was the number two person in a three member political section.
Q: Yes. Who was the DCM (deputy chief of mission) in the embassy?

LLOYD: There were two DCMs while I was there. There were two ambassadors there. John Ferguson was there until the end of '64. Henry Tasca arrived in mid-'65 and was there for the remainder of my tour. The DCM had been Dean Brown at the beginning of the time I was there, and later Leon Dorros. The political counselor was Bill Crawford for all of the period of my tour, except for the first couple of months.

I did work on domestic reporting, just sort of a standard political officer's job, domestic and international reporting in the political area.

Q: When we have a friendly monarch, certainly the case in Iran, and I was wondering about in Morocco, did you find yourself under any constraints regarding opposition and all that sort of thing? Our problem in Iran is renowned!

LLOYD: We had similar problems in Morocco. The labor-reporting officer was stationed at the consulate general in Casablanca. It was his job to keep close to Moroccan labor, and they were clearly in the opposition. The opposition, though, was a relative term because if it became too extreme they would either be locked up or exiled.

Q: Oh!

LLOYD: So you had to have an opposition that served as a brake on the king but could not take extreme positions.

Q: Did you find that you were being told if you ran across problems of government corruption, or people saying the king is doing this, or the king's party is doing that, were you told at any time to sort of cool it. We don't want it-

LLOYD: Well, Ambassador Tasca, as I think is well known and certainly chronicled in your work, was very close to the king, and he wanted that to be known. He wanted the king to know that he was a friend of King Hassan II, and that America was a friend of the king. The result was that he got so close that he lost credibility with people back in the U.S., which was something that I really didn't know. But it became clearer as time passed that people didn't believe a lot of the things that he was reporting. He became so close and so uncritical of the king that it made it difficult for the embassy to make recommendations that were accepted in Washington.

Q: Well, this has been, had been at least, a continuing problem with Morocco. I mean mainly we have political appointees. When you had somebody like Dick Parker and one or two others who were sort of Arabists who were their own person, the king got rid of them!

LLOYD: Yes, exactly. I know the case of Dick.

Q: There's the case of one of our ambassadors, a political appointee who was renown for putting in his cables "our king."

LLOYD: Yes, I remember that. I remember that. Those cables were sometimes posted on bulletin boards for a big laugh in some parts of the State Department.

Q: Yes. This is something that as one looks at the culture of the Department of State, if an ambassador loses objectivity, it's quickly picked up. It means that his effectiveness is seriously hurt.

LLOYD: That's true, but an ambassador is given two tasks. One is to become close to the country that he's accredited to and to know them well. Also, if economic assistance is a factor in the relationship he must be able to bring increases in aid. So he has to be close to the government that he is accredited to, but he also has to be a representative of the United States government and to keep a certain distance. Those can be contradictory instructions. I know Dick Parker, and I know that he was never happy with that assignment.

Q: From within the embassy, from you, but also within your group, how did you view the French? I mean the French of everywhere, everywhere you go, particularly in Africa, to this day have been extremely suspicious of what the United States is up to. You know, do we want to take over Chad for example? And you know, I mean this is the last thing in our mind. During the '64 to '67 period, how did we view the French role and what were we doing?

LLOYD: Well, I think that the United States, I think the U.S. embassy made a point of being close to the French embassy. I knew really everybody there. My wife and I had some good friends who were in the French embassy. But we were very much aware that we were competitors at the same time. North Africa, and the rest of Africa for that matter, had been for France, since the latter part of the nineteenth century, a wonderful market. France has succeeded today, 35 years later, in maintaining those markets. Much of the French economy was dependent on ties with the French colonies in Africa and the French ex-colonies in Africa. So they were very jealous that the United States was going to supplant them and that they were in the wake of the United States, and were trying through various means, through separating themselves from us in NATO and other, and talking about the "force de frappe" (French nuclear strike force)-

Q: It was the atomic nuclear response French-

LLOYD: French nuclear response in which they reserved the right to act independently with nuclear weapons, which, as you can imagine, was very troubling for the United States.

Q: Well, how did we feel? De Gaulle was not at the peak of his popularity in the United States at this point. You know, his anti-NATO, anti-American stance had really permeated. Maybe on an individual level it wasn't there, but it certainly was in official government circles.

LLOYD: Yes, I think the United States simply saw France not as an adversary, but certainly as a competitor. The objectives of France were tightly bound to French history and to France's historic role in the world. The United States, I think, took what it would consider, a more modern view: that these countries are independent, and we're looking toward democracy and the sorts of values for which the U.S. stands.

Q: How about Algeria at the time? Where was it in its revolutionary cycle at that point?

LLOYD: Algeria became independent in 1962. In 1964 Algeria fought a war with Morocco over the southern boundary, which is an area that I traveled around a lot and did some camping and driving down there. It's not really a marked boundary; it's largely desert. Algeria was feared by Morocco. Ahmed Ben Bella who had been incarcerated in France in the fifties was released and became the first president of Algeria. I think that the spread of the "virus" of Algerian policies, anti-French policies, was greatly feared by Morocco. People said, "Well, Algeria's had its revolution. Bourguiba is in Tunisia. When will Morocco have its revolution?" because Hassan II, his line went back 200 years or 150 years as rulers of Morocco.

Q: Was it pretty much a French system that was running Morocco at the time, a sort of prefix of rather tightly centralized education, centralized control? Or was it more of a loose sort of sheikhdom type?

LLOYD: It was very much a French system. The French had come into Morocco in the first years of this century and in 1924 extended a protectorate over Morocco. They

basically reorganized the country along French administrative lines. There were young French officers who would go to be "assistants" to a local leader, and, in effect, would be coaching a local leader as to what would be well viewed by the French government and what would not be. So they had throughout Morocco a very good system. They spent a lot of money on infrastructure: roads, schools, and public buildings. In many ways, I think the Moroccan people saw that as a very good thing because they put a lot of investment into Morocco, and at the same time they made no effort to stamp out Arabic or to call on the Moroccans to speak French only, or anything of that kind. There was bilingual education and an educated Moroccan would always have spent probably a little bit of time in France. But even if he or she had not, the teaching had been done by French teachers in Morocco. So they spoke excellent French, accentless French in many cases.

Q: What about the younger educated people? We're moving into the '60s now, which was a time when the young people, and particularly educated people, were sort of on the edge of revolt. We had it in the United States. The French in '68 had it, you know, as did other places. Were you sort of watching for, particularly at the universities, and the young graduates of universities, were we looking at those?

LLOYD: We were. Through the USIS (United States Information Service) leader of programs and student exchange programs we worked very hard, particularly using the younger officers in the embassy, to get to know some of these students. They were generally anti-monarchy, and they were generally on the left, but as I indicated earlier, not so far to the left that they would be outlawed. Something called the UNEM (Union Nationale des Etudiants du Maroc), the National Union of Moroccan Students, was an important organization for us, which we got to know. We succeeded in persuading the president of UNEM to go to the United States on a leader grant and to meet with other students. There was a U.S. student group, whose name I don't recall, but in effect students of the United States were all in this one big federation. After we had persuaded this fellow to go to the U.S. and I think after he returned and had a very interesting time and met a lot of people, it came out that the American group was being supported either by CIA or some other clandestine effort. That was a huge embarrassment to us, and I don't know that our relationship with UNEM ever recovered. I think that the people we sent to the U.S. were embarrassed and humiliated.

Q: Speaking of American students, had the drug culture moved to Morocco yet? Later this became quite a problem of, not Americans, but European kids going to Morocco and...

LLOYD: I think the drug culture had always been in Morocco, certainly in Tangier. I wasn't aware of that as an issue for Americans. Tangier it was well known as a place where drugs were available. I think the U.S. drug culture of the sixties didn't get to Morocco in the sixties.

Q: Oh!

LLOYD: I suspect that because of the conservatism of the monarchy the sixties came a

decade later.

The backpackers who hitchhiked around Morocco later were not there when we were there.

Q: What about…were we concerned with the Moroccan military because this, of course…I can't remember when Qadhafi made his move, but-

LLOYD: That was in 1969.

Q: Sixty-nine? So it was after. Yes, one goes back to the kicking out of King Farouk out of Egypt. The military seems to be the place that if someone's going to get kicked out, it's the military that usually does it.

LLOYD: Yes. They have the means, as I found in later posts, a way to meet very easily and without attracting attention. I think the military was very much under the king's thumb. The chief of staff met with the king almost daily and was part of a retinue that moved with the king. He kept close to them, and they were close to him. Their power, the power of the senior military officers depended on his favor, and he depended on them.

Q: How is the military stacking up? You said there was a small war with Algeria. How did that come out?

LLOYD: Well, I think it was a stalemate. As you can imagine in a desert environment without modern communications it was a question. I don't know even whether there were tanks or planes down there. I think there were some armored personnel carriers and some troops. They tried to move the line one way or the other. One side or the other made an attack and moved the line a few kilometers and then said, "Let's sign a peace treaty."

And the other side would say, "Well, not quite yet!"

This was sort of on again, off again, and it was a very sensitive issue for Morocco. I went on a trip by plane with the ambassador soon after I arrived in 1964, down to one of these areas. At one point we landed on a lakebed. The pilot, the Air Force Attaché, said he was lost so we landed on the lake. Well, the lake was actually either in Algeria or in no-man's-land. The Attaché and his staff proceeded to take core samples from the lakebed to see how heavy an aircraft could be landed there. We were in a DC-3. As the samples were being taken, a cloud of dust appeared on the horizon. It was a couple of jeeps full of Moroccan soldiers heading for us at a high speed. We took off without meeting with them, with the jeeps traveling behind us. When we came down that evening in the local provincial capital, the local officials were pretty upset about that. We said that we were lost and regretted any inconvenience or some such thing. But it was a really foolish thing to do! The U.S. ambassador was on the plane, and I think it put the U.S. in a very bad light. It was something that DIA (Defense Intelligence Agency) had sent out a request, what was called a SICCR, I believe, for an intelligence estimate of this and perhaps a sample of the lakebed. So they got it. I guess he got a promotion for it-

Q: Yes. [Laughter]

LLOYD: …at some cost.

Q: Yes. How did you find social life there?

LLOYD: There was a class of Moroccans in government, not so much in business, but particularly in government, who moved effortlessly through the diplomatic social life there. There were a lot of big embassies; all the European countries had quite substantial embassies there. The language was always French. The Chinese were there; the Soviets were there. In those days the U.S. didn't recognize China, so we passed without getting to know each other. The Soviets were very interested in the Chinese and were trying to assess the role of China at that time. But the social life was government oriented. Rabat is not a commercial capital; it was a government capital. I came to know people from many ministries and Moroccan agencies.

Q: Casablanca was the commercial capital, wasn't it?

LLOYD: Yes, indeed. That's where the biggest airport was and is. The airport is Nouasseur Airport, which is the name of our air base on the outskirts of Casablanca. That was really the commercial hub of Morocco. There were other cities, Marrakech, Fès, Meknès, and so on, but they never really had a major commercial role.

Q: Were we looking at the Islamic establishment as a concern at that time?

LLOYD: Not in the sense of Islamic fundamentalism. The king was descended from the prophet (as I guess anyone else who wanted legitimacy in the Muslim world would like to find that same tie), so that part of his charisma, if you will, was a religious position. He had a title that was similar to Henry VIII's, defender of the faith. So he used that. He used that very carefully and used it to great benefit and was, in effect, the head of a state religion in Morocco. But fundamentalism had not made an appearance at that time. Or if it had I was really unaware of it. The Moroccans that I knew who were largely Europeanized Moroccans who lived in a quasi-European world.

Q: Were we keeping an eye on the king about his proclivities as the crown prince? I mean he was sort of like Prince Hal. But I was just wondering whether we were kind of watching what was going on behind the scenes?

LLOYD: Well, there were stories of what was going, parties in the palace, and all that sort of thing. That said, the conclusion that some people drew: that he wouldn't last. I think that at that time when he came to power in '61 CIA assessments said he wouldn't be there for more than three or four years.

Q: Yes.

LLOYD: He developed though a very astute manner in terms of dealing with people. When he appeared in public for instance, he was in Moroccan dress, in traditional Moroccan dress that would almost show him to be a priest. When he met with Averell Harriman he was in a dark blue suit, and he looked like anyone else in a dark blue suit, except for the fact that in his lapel he had a little gold crown, as if to tell you, "In case you've forgotten who I am, I'm the king."

Q: [Laughter] Oh! Speaking of life there, myself having some experience, was Madame Tasca a problem?

LLOYD: She was pretty funny. She was an occasion for a certain amount of mirth and so on. In the embassy it seemed to me that she and the ambassador didn't get on terribly well. She was away a lot.

Q: Yes, yes. She was Italian.

LLOYD: She was Italian. I do remember that she was often away. When she'd come back, the morning after her return was never a time to give a draft to the ambassador of something you'd been working on for three or four days-

Q: Yes, yes.

LLOYD: …because it would be thrown out, or whatever.

Q: Yes.

LLOYD: I learned after a couple of those. I found that there was an alarming repetition that he was not in a good mood on those days.

Q: [Laughter]

LLOYD: But she was not particularly effective. He brought with him a woman, whose name escapes me now, who was probably 20 years older than Ambassador Tasca, who acted as sort of a surrogate mother for his youngest son. She was a Ph.D. in economics from Chicago and had quite a distinguished career. She would serve as a hostess for him. Because of the age difference there were no winks and smiles on that score.

Q: Yes

LLOYD: She spoke good French and was very helpful to the embassy. I must say Tasca, as I mentioned earlier, did go overboard with Moroccans. But some of his ways of operating, and I worked very closely with him, were very effective. He would call up a minister and say, "Would you come to lunch, just the two of us?" and "Pick a day."

The minister would pick a day and likely as not the minister would not show.

That didn't bother him. A man with a huge ego who'd come a long way, Tasca would say "That's all right. That's all right. I'll have lunch alone and go back to the embassy."

In a week or so the minister would send him a note saying, "I'm sorry! Something came up!"

In a week or so he'd call him again, and after a while the minister would show up. He got to know these people one on one. In terms of managing an embassy, and I guess you've had experience with him, didn't you? Did you say in Greece?

Q: Yes. I was his consul general in Athens.

LLOYD: In Athens, yes.

Q: I had a…it comes out to me as a positive experience.

LLOYD: Yes.

Q: It was very difficult because we had the colonels there.

LLOYD: Yes.

Q: Our policy under Nixon and Kissinger was to have close ties, and that's what he did.

LLOYD: Yes, yes. Tasca was very effective. I remember one of his themes was, "Your job as a subordinate officer in the embassy is to prepare me to work with the political leaders of the country, with the king, and with those around the king." He saw little point in meetings at lower levels with officials without a policy role in the country. The difficulty with that idea (and it's a good one) is that if the ambassador is overboard in terms of his relationship with the country, he's not able to really make a dispassionate appraisal of the leaders he meets.

Q: Was there any disquiet or concern within the embassy? I'm talking about officers like yourself, about we really should be trying to do something about the Moroccan situation on, you know, of political economic one there? Or did we feel that we had any particular role other than to maintain relations?

LLOYD. We often had AID colloquies with the Moroccans. I remember interpreting for some of those, where there would be a group of people from the U.S. who would come out for a full-scale review of the Moroccan AID program. Morocco needed so much that it was very difficult to decide where to turn first. As we found in later years, United States assistance doesn't necessarily address the needs of a country. More likely than not, I think the aid helped to cement political relations more than it did to address the real needs of the country. The Moroccan population, the birth rate was 50 per 1,000 at that time. The death rate was something like 20 per 1,000 and going down. So the growth rate was over three percent. A large number of young Moroccans were coming onto the job

market without jobs. There was little that PL480 and a little bit of technical assistance could do. But what it did no was to keep our VOA transmitters, and keep a certain amount of political relationship with Morocco. But in terms of handling probably a 10 or 15 percent unemployment and another 10 or 15 percent underemployment in the country, it was not particularly effective.

Q: Did we have a Peace Corps there?

LLOYD: We had a Peace Corps. I got to know them a little bit traveling around the country. I think they found it not as challenging as they would have liked to find it. It's a comfortable climate, a language that many of them spoke well. One of them, I remember, complained to me that he was all set to find a challenging environment in the Peace Corps, and he was living in an apartment in a town. His friends were living in mud huts 2,000 or 3,000 miles to the south, and he was just an English teacher in a town. Of course, this was modeled on the French system of sending in young teachers to teach your language and thereby ensnare the people of the country and attach it to your culture. The French were understandably nervous about this because this was what they had been doing for 50 years in Morocco.

Q: What about the '67 War. I take it you were still in Morocco when it happened?

LLOYD: I was, yes.

Q: This was June of '67?

LLOYD: Early June, yes. June 5, 1967. I was there only for about another two weeks, and later became the Morocco desk officer in the Department. The war dampened relationships with Morocco, but there was no break in relations. There was no attack on the American embassy. I think the Moroccans assured us privately that, "Given the circumstances of the day we're not really in a position to be as friendly as we were before. But let's wait till this blows over."

The Moroccans are Muslimized Berbers. So the word Arab to them has a meaning that's not quite the same as what it means in the eastern Arab world. While we call them moderate Arabs, they looked on the Arab countries of the Fertile Crescent and of the eastern Arab world very differently from the way those countries saw themselves. Nasser had come in 1952 and was still there in the sixties. I think they were fearful of the anti-monarchist virus spreading not only from Algiers, as I mentioned before, but the virus spreading from Cairo. A military junta that had taken over Egypt; was Morocco next?

Q: Did you get from your contacts with Moroccan officials... Were they looking at what was happening in Algeria with a certain… I'm not talking about the threat, but Algeria had sort of a thriving economy, mostly done by French... But it was going downhill rapidly, and it's still going downhill. Were they looking at that and saying, "This is not the way we want to go?" Or was this still early days?

LLOYD: I think the oil coming out of Algeria seemed so promising. Morocco at that time had no oil. They have a little bit of oil in the southwest, some of it offshore, but not in any quantities like the refineries in Oran or elsewhere in Algeria, in central Algeria. I think they didn't see Algeria's wealth as a problem. They saw Algeria's politics as a problem and a virus that should be stopped.

Q: Yes. The Polisario Movement was not in place at this point?

LLOYD: It had started. Morocco's competition for what's now called the Western Sahara was in full bloom at that time. The Moroccans and the Mauritanians were sparring to take over Spanish Sahara where very few people lived. Morocco though had very substantial phosphate mines in southern Morocco. Similar phosphates are found in what's now called Western Sahara. Morocco was the world's principal exporter of phosphates in those years. The U.S. produced more phosphates, but didn't export as much as Morocco.

Q: You were saying they saw the Western Sahara as a very rich-

LLOYD: Yes, they saw the phosphate reserves as being a huge advantage for Morocco, and they feared that the Mauritanians would somehow succeed in getting Western Sahara. So this was a threat. There was a lot of intelligence work; there was a lot of fun and games on both sides. I know that at one point when I was on the desk in about '68, the Mauritanians sent a group of Western Saharans to the UN (United Nations). They all primed to make a speech at the UN about how their hearts really were in Mauritania and that's where they wanted to belong. However, the Moroccans got to them with money or whatever, and they made a speech that they wanted to be in Morocco-

Q: [Laughter]

LLOYD: …to the horror of the Mauritanians who cried, "Foul!" The Moroccans simply smiled and said, "You know, this is a big boys' game."

Q: Yes. The king did his "Green March" or something, but this is later on?

LLOYD: That was later. The berm that was built along the line there, and yes, that was all later.

Q: Yes. I'm looking at the map here; I don't know when this came out. What is the situation with Western Sahara today?

LLOYD: Morocco annexed it in the 1970s. A guerrilla war ended with a cease fire in 1991; there were calls for a referendum, but it has not been held.

El Aaiún [La'youne] is the capital.

Q: Were we concerned with Soviet influence in the area there?

LLOYD: We were certainly concerned in the broadest cold war terms that the Soviet Union held great attraction for the developing world. I think certainly we were concerned about Soviet influence in Egypt-

Q: Yes.

LLOYD: …at Soviet influence in the Arab world. But the Soviets were not particularly adept. They had moved into Guinea at that time, Guinea, Conakry, and were heavy handed. This was the country where, when the French pulled out in the early sixties, they took everything with them.

Q: Yes, yes, including the faucets [laughter].

LLOYD: The faucets and the wires off the walls! The Soviets were there. I think there was a certain amount of mistrust of the Soviets in the post-colonial time.

After Morocco, I came back in 1967 and spent two years on the Morocco desk in the Office of North African Affairs (AF/N). Then I became deputy director of the Secretariat Staff in S/S (Office of the Executive Secretary). I don't think there's a lot more to be said about Morocco during those two years. I was working from the State Department on the same issues.

Q: Well, let's talk about this, '67 to '69. This was still basically the Johnson administration.

LLOYD: Right.

Q: Was Morocco in the Near East at that time?

LLOYD: AF/N involved Morocco, Algeria, Libya, and Tunisia, and reported to the Assistant Secretary for African Affairs.

Q: Was there any sort of tie to the Near Eastern Bureau because, you know, the lines ran that way?

LLOYD: There was. I remember talking to people in NEA (Bureau of Near Eastern Affairs) during those times. But Morocco's ties were north-south. Morocco's ties were with France. They considered, I think, those ties to be more important to their country than their ties with the Eastern Arabs. As I mentioned earlier, they had great misgivings about the Nasserite regime in Egypt.

Q: Was there any attraction to Spain? This is still Franco there?

LLOYD: A little bit. Some Moroccans had been trained there, many in the Spanish military academy. At one point there was a defense minister, who was from northern Morocco, who spoke very little French. He found it very difficult to operate in the cabinet

because of his poor French and the fact that the people in the cabinet didn't really speak enough Arabic to deal with policy issues, as I mentioned earlier. At one point he was reported to have thumped the table and said, "Now see here! We're supposed to be an Arab country! Why aren't we speaking Arabic?"

Q: Dick Parker was saying when he was ambassador to Algeria that…well, it was Boumediène, I guess, was saying, "How come the American ambassador can speak better Arabic than you can?"[Laughter]

LLOYD: [Laughter]

Q: …which, of course, didn't sit very well, I'm sure. I'm sure.

LLOYD: Yes, yes.

Q: I can't remember. Is Ceuta in Morocco?

LLOYD: The two enclaves of Ceuta and Melilla remain part of Spain.

LLOYD: While there might be a Spanish governor, he was appointed with the approval of the Moroccan government.

Q: Was there any problem? I mean, are they-

LLOYD: No, I remember going up there to just sort of see what it was like. The border crossings were almost unmarked, and these were just sleepy towns, that for one reason or another, and I don't even know why, had remained connected to Spain.

The Gibraltar issue would remain a thorn in everyone's side - the fact that the British were holding Gibraltar. The Moroccans, I think, were being enlisted by the Spanish who felt they had a historic tie with the northern part of Morocco in an effort to persuade the British that the time had come to give up Gibraltar.

Q: I was wondering. I would have thought that. I can understand sort of the broad political thing that Morocco would say be rough on the British on Gibraltar, but at the same time I'm sure that an awful lot of Moroccans who liked the idea that they could go and get just good shopping for themselves.

LLOYD: Yes, absolutely. There were good ferries from Tangier over to Gibraltar. It was very easy to go back and forth. It provided an outlet for Morocco, although I don't think Moroccans felt that they particularly needed an outlet. I think they felt they could get everything in Morocco that they needed. They were more likely to go to Paris than to go to Gibraltar or to go to Madrid, certainly.

Q: Well now in '67 to '69 we mentioned a couple of things. Any of these developments and there were two assassination attempts on the king. Did they happen during your

watch?

LLOYD: No, they were later. The first coup attempt was by General Mohamed Oufkir. The second was by Colonel Medbou. Oufkir was minister of the interior, very much involved with intelligence. The king was very adept at running parallel intelligence services, just as the French had always done

Q: Yes.

LLOYD: The King had kept Oufkir very close to him for many years. Certainly the birthday party was a wake-up call for the king.

Q: When we say the birthday party, this was when there was a big reception, and lots of diplomats were there, and some…who were they? They were troops, weren't they?

LLOYD: Yes. This was a place called Skirat, which was a beach palace on the coast northeast of Casablanca. It was a big reception for the king. As I recall there was a sudden group of troops arriving with machine guns and tried to assassinate the king.

Q: Yes.

LLOYD: I believe that was not the aircraft incident.

Q: No. That was a different one.

LLOYD: That was a later one with Medbou-

Q: That was a later one, yes.

LLOYD: …yes, when they said the king had been killed.

Q: Who succeeded Tasca in your desk office?

LLOYD: Tasca was there all the time I was on the desk.

Q: Oh, all the time on the desk?

LLOYD: Yes. I was very much aware working with people in the Department of the amount of credibility that Henry Tasca had lost because I was, of course, tagged as his man in the Department and the apologist for the views of Henry Tasca. He would be on the phone to me saying, "Why didn't this get done? Why weren't my policy recommendations adopted?" It's a little hard for a desk officer to say, "Well, sir, they didn't believe you!"

But I think he probably knew that, too, that he had stretched the credibility that he had. I think that U.S.-Moroccan relations, '67 to '69, continued as before. If we were to look at

the cables they would probably seemed to be getting better and better through his tour there. I guess he went right from there to Greece, did he?

Q: Yes, he went there in, well, about '70.

LLOYD: Yes, I left in the summer of '69, and I think that he was still there then.

Q: Yes, yes, he had-

LLOYD: He was very active. He knew a lot of people by that time.

Q: This brings up an important point. The story I heard was that when former Vice President Nixon came around, when you sat in, Tasca had treated him very well at a time when Richard Nixon was considered to be an out-of-date politician. He'd lost the election of '60, and then the crowning touch was he was defeated for governor in '62 with California. When he went on these trips around, because he was always very much a foreign policy type, some places treated him a bit offhandedly. But Henry Tasca, the story went, treated him extremely well. Nixon remembered this, and when he became President, he got [what was] considered the plum assignment.

LLOYD: That's interesting, yes. I think that's entirely possible. Henry Tasca saw the advantage of having a protector and of connections. He had worked for Averell Harriman in the late forties, in 1946 I believe, in the European Recovery Program. Harriman had been his supporter and booster ever since. I think he saw the advantage of putting some money in the bank, if you will, in terms of ties with people who were going to be around for a while.

But I don't think that during the AF/N years there were particular policy issues. We were grappling with the State Department bureaucracy that is legendary and dealing with AID. There's not a great deal to add to the Moroccan story.

Q: Well, then in '69 you went where?

LLOYD: Well, from '69 to '71 I was deputy director of S/S-S, the Secretariat Staff. That particular office consisted of about eight or nine officers and five or six secretaries. This is the division of S/S, of the Executive Secretariat, that monitors paper going to the secretary and his principal assistants, travels with him, and provides the secretariat function while the secretary is traveling. The only comment I would have, this was a very exciting job where you're seeing a lot of interesting things going on. We were cut out of some things, the invasion of Cambodia, for instance.

Q: That was in the spring of 1970?

LLOYD: In the spring of '70. There were only, I think, the executive secretary of the Department, Ted Eliot, and Alexis Johnson, and one secretary, and the Secretary. I think it was something like that. Alexis Johnson was typing some of his own cables now and

again. The routine work was demanding and exciting. It was interesting to see how the Department worked from the optic of the seventh floor and how policy decisions were reached, the great differences between the bureaus in terms of the quality of the work that came forward.

Q: Could you do a little kind of ranking? I mean you're looking at the quality. I'm always interested, from your perspective, which one is stronger and which one is sort of the weaker?

LLOYD: Well, I think that EUR and NEA were clearly the best in terms of their ability to get the Secretary's attention, to produce cogent memoranda that offered real policy alternatives, and to manage the foreign affairs process. I think that AF and ARA (Bureau for Inter-American Affairs) were probably at the bottom of the geographic bureaus. EB (Bureau of Economic and Business Affairs), the Economic Bureau, then called E, and EA (Bureau of Eastern Asia and Pacific Affairs) were somewhere in the middle. The ability of the bureaus to write well and to produce really clear memoranda meant that they got more attention.

Q: What you've said, the ranking and all, has remained consistent. I've talked to people who've done this over a long period of time. Why would it be? I mean I would think the European Bureau would be pretty well set in its ways. In a way things aren't happening that quickly. You know, Soviet Union, yes. But you know, without having a lot of clues, or at least in those days they weren't, why was it?

LLOYD: Well, I don't know. I think somehow the quality of the writing, just the presentation of material in 1969 and 1970; we were getting magnetic tape Selectric typewriters. This was supposed to be the typewriter of the future. Remember those?

Q: Oh, yes! Oh, yes!

LLOYD: Some bureaus had them and some bureaus didn't. That meant that you could produce letter-perfect copy for the Secretary without the effort that was required before. However, the African Bureau I remember didn't; they didn't put the resources into that. Or they weren't able to, perhaps through the budget process, get the resources because they were in the African Bureau. So the papers that came up didn't look very well, didn't look attractive, weren't letter perfect, and had erasures, and that sort of thing. I suspect they simply didn't get the attention.

Q: Well now, you moved over there at sort of the beginning of the Nixon administration. In the Secretariat, could you talk about "your" view at this time, '69 to '71, of the contrast, the relationship between Secretary of State William Rogers and NSC (National Security Council) Henry Kissinger?

LLOYD: I'll talk about two aspects of it that I've given some thought to. One takes us back to the Morocco period. During that time there were cases of NSC staffers who would call over to the desk officer and say, "Why don't you shoot me a copy of your

draft, because wouldn't it be much easier for me to take a look at it now, than to have it go up through your bureaucracy to the Secretary and then go over to the White House and be rejected, or be modified, or whatever. Wouldn't you like to show it to me first?" Of course this was a way for the NSC to begin to modify policy before it even reached the sixth floor, let alone the seventh floor of the State Department.

Well, in the Secretariat one of the jobs I had was to try to monitor meetings that we heard about between the assistant to the president for national security affairs, Doctor Kissinger, and ambassadors in Washington. We tried to keep track of memoranda of conversation; I prepared memoranda from the executive secretary of the Department, Ted Eliot, to Kissinger, saying, "We understand you've met with the following ambassadors in the last month. Could you please send over the memoranda of conversation?" Of course, we never got any back. Occasionally there would be a scrap that was thrown to the Department. But by and large, these requests were simply ignored. I don't know to what degree the secretary decided that he wasn't going to go to the mat on this issue, but clearly it was one symptom of the Department's loss of policy power during those years, which eventually resulted in 1973 with Kissinger becoming secretary.

Q: Yes. I realize you were at some remove, but what was your impression of Secretary Rogers?

LLOYD: He was a wonderful person. I traveled with him a couple of times and saw him intimately for several days from the first thing in the morning to the last thing at night. He was a very fine gentleman. All the things they said at his funeral were absolutely true. He got a very bad deal.

Q: Yes.

LLOYD: He got a very bad deal. I think he was a very hard worker. Having had the experience that he had in Washington, I think that he knew this kind of thing could happen - that he was ambushed.

Q: Did you feel that you were supporting somebody who really didn't have the clout the secretary of State should have at that time?

LLOYD: No, because he was the secretary, you know. From the standpoint of a mid-grade officer looking at him, I wasn't aware of the degree to which he was being ignored. I think much of that has come out more since then. I left for Portuguese language training in the early spring of '71, and I think the worst years for Secretary Rogers were just before his departure in 1973.

Q: Yes, yes.

LLOYD: I don't think it was as apparent at that time that he was being ignored. The Vietnam War consumed everyone's attention. A lot of the correspondence that came to him and a lot of the trials that he had at that time were related to the Vietnam War.

Q: You said you went on some trips with him. He was a hard worker. I've heard other people say, "Well, he really didn't concentrate on the book."

LLOYD: Oh, I think he did! First of all, he knew a lot more than some secretaries about what he was dealing with. In 1970 I spent a couple of weeks with Rogers at the UN during the UNGA (United Nations General Assembly). The President and Secretary Rogers went to de Gaulle's funeral in 1971, and I was with the Secretary. There were one or two other trips. He seemed to want to read the material, read the papers, read the cables that were coming in. For the most part I didn't sit in on his meetings. At the UNGA for instance, there would be a note taker familiar with the issues. As I recall there was a note taker for each bureau who was there for that period. There were two S/S officers and two secretaries in New York for the period of the Assembly. We made sure that he got the things he needed. He got them on time. As far as I could tell he seemed to be very much on top of the facts.

Q: How did you find the INR [Intelligence and Research] Bureau? How did you find them and what they were supplying during the time?

LLOYD: I don't think they were providing policy options or alternatives. I think they were providing some information that had come from other sources, from CIA, and elsewhere. The policy options were more likely to have come from the Policy Planning Staff.

Q: I was wondering. How about the Policy Planning Staff at that time?

LLOYD: Well, I think that they were more likely to send an alternative view than INR. I can't cite a specific policy difference or policy concern, but the kind of memorandum that would say, you know, "We acknowledge that this is not our policy, but we think you ought to take a look at this," would be far more likely to come from the Policy Planning Staff than from INR, which was more likely to be providing specific bits of information and commentary.

Q: Okay. Well then, you left in '71. We'll just, for the next time, where'd you go?

LLOYD: I went first to FSI to learn Portuguese, and then I went to Lisbon as the head of the political section.

Q: All right. So we'll pick this up in 1971. We'll talk about FSI, Portuguese, and then off to Lisbon.

LLOYD: Okay.

Q: Great.

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Today is the March 22, 2001. You're taking Portuguese. Had you taken Spanish or anything like that before-

LLOYD: No, I spoke French. I had a 4+/4+ in French, but I didn't have any Portuguese at all. I couldn't say good morning, or yes, or no.

Q: How did you find the training and moving into Portuguese?

LLOYD: The training was excellent. Language training is an extraordinary experience. You're really in bed with those other four or five people for several months. I'm reasonably good at languages. But you can only get to a certain stage at FSI, and then you really have to go out and go to the movies and walk around in the street, look at television, and that sort of thing. Many of the instructors were Brazilian. If you use Brazilian pronunciation in Portugal, people are amused. They look at you and say, "Well, you couldn't be really speaking our language."
Q: But essentially the Portuguese was really to prepare people to go to Brazil more than Portugal in a way.

LLOYD: Well, in my class all the people were going to Portugal or to Mozambique. We had only one European Portuguese teacher. The others were Brazilians. There's a lot of difference in usage, pronunciation, and grammar.

Q: Well then, you were in Portugal from when to when?

LLOYD: I arrived there in August of 1971 and left in July of 1974.

Q: When you arrived there what was the situation both politically and economically in Portugal?

LLOYD: If I can go back in history a little bit-

Q: Yes.

LLOYD: Marcello Caetano was then prime minister. Power was with the prime minister, not the president. You will recall that Antonio Salazar had been the prime minister of Portugal from the thirties. He was an economics professor for the University of Coimbra. He kept Portugal out of Spanish Civil War and World War II. Had he left in 1945, I think he would be revered as a great leader who was a steady hand on the helm. But he didn't leave. He set up a corporatist system in Portugal, controlling the entire life of the Portuguese people, keeping the poor at the bottom, and insuring governmental control by the people at the top. He had a stroke in 1968 and died in 1970. His lieutenant, Marcello Caetano, continued the same policies. He made a few efforts toward liberalization and the removal of removed press restraints for a time, but quickly retracted those.
It was an extraordinary system. Nothing that I'd encountered elsewhere had prepared me for it. The newspaper every morning said (in the lower right-hand corner there was a

box), "Good morning. We have 32 pages today. Every page has been approved by the censor." Unless that box was there, you couldn't put the paper on the street, and the management of the paper would be arrested. So we in the embassy got to know a lot of journalists and after a time we were able to see copy that had come back from the censor, showing what had been taken out. It was very instructive. Occasionally they would try to publish the whole copy with all the redacted pieces shown, but that wasn't allowed. The papers tried various subterfuges to get their ideas across. I remember at one point they didn't require the whole layout of the paper of each page to be approved by the censor, only the galleys. Then some papers began to run movie ads next to news articles. Once there was a ad for a movie called "Is this man crazy?" with a photo and article about Caetano in the next column. There was a great furor in the censor's office, and from then on the whole layout, not just the galley, had to be approved.

This was a system that was extraordinarily undemocratic. There were three universities in the country, in Lisbon, Coimbra, and Oporto. There were about six or seven high schools in the country. To get to university you had to get to high school first. So if you lived in the countryside, your chances of access to high school were very slim and your chances of access to a university were almost nil.

Q: Was this then a real class system?

LLOYD: It was indeed. The rich people were on top. The rich people ran the banks. There were ways to keep people in line. For example, if a person advocated policies that the government did not like, he might be called in to a government office and told, "You have a good job in the bank. Your brother-in-law and his cousin and his nephew all have jobs in banks and in nationalized companies. Certainly it's too bad that you're holding these meetings at your house. These people are unsavory people, and I'd rather you didn't do it. It would be too bad if your nephew lost his job, because he's got five children."

Q: Oh, boy! You mentioned censorship. What about news from abroad, particularly say NATO, or what's happening in Spain, or anything else while you were there?

LLOYD: They didn't say much about Spain. Of course Spain was still under Franco then. The Portuguese had a particular neurosis about Spain. They would look at a map of Iberia and see that basically Portugal shouldn't be there, speaking a dialect of the major language of Iberia. Sometimes when asked about their view of the world they would say, "Well, we feel very close to America …and then of course we have age old ties with Britain, and then we admire France, and Italy, and, of course, the technology of Germany." They would go further and further afield and never mention Spain because they saw the paradox of their being there. They felt that Spain might invade again, it had done only 300 years before.

Q: What about NATO? They were in NATO, but-

LLOYD: They were original signatories to NATO because the U.S. pushed it.

Q: But I would think this would cause some problems because NATO really consisted of pretty much democratic nations. I don't have a map here of this.

LLOYD: The key to NATO for Portugal was the air base in the Azores, Lajes Base. This was essential during World War II. It was somewhat less important in the years after the war as aircraft had longer range. But as was pointed out in Dick Parker's book on the October War, the C-5A, while it could fly in 1973 from America to Israel nonstop, lost 70 percent of its payload.

Q: The C-5 being our largest military transport at the time.

LLOYD: Yes, right. So the base in the Azores was crucial. As I understand it, the U.S. pressed to include Portugal in NATO in order to try to keep that base. There was an air force two-star, in charge. But it was still very important to us then. There were other things in the Azores. There was a naval underwater acoustical range off the Azores where they were testing submarine acoustics. So it was an important military element for the United States, and that was Portugal's ticket to NATO.

Q: Yes.

LLOYD: I think without that and without the American pressure on the other NATO partners Portugal would not have been an original signatory to NATO.

Q: What did they have? What were the Portuguese going to do? I mean did they have troops up on the Rhine?

LLOYD: No. The Lajes base was their contribution. By the sixties, when the wars in Angola and Mozambique had begun, the U.S. had transferred some aircraft to Portugal. I know that one of the jobs of our defense attaché office was to visit bases and make sure that those aircraft remained in European Portugal, and they didn't find their way down to Guinea-Bissau as it is called, Angola, and Mozambique.

So the relationship between the Portuguese government and the U.S. at that time was not a comfortable one. The Portuguese were very disappointed that the U.S. did not embrace them as a full NATO partner. The Americans were embarrassed by whatever relationship they had with the Portuguese. Our ability in the embassy to persuade the Portuguese government to take positions around the world that the U.S. favored was limited by this disagreement over Africa.

Q: When you'd gotten there, in talking, I mean you hadn't been dealing with this. Can you give a feel for, I mean, the feeling towards two things? One, about the Portuguese ability to stay in Africa and, you know, where was this going? The other one was where was the Portuguese government going?

LLOYD: I'd like to return to one point that you made before turning to those, the class system. I wanted to mention the educational system. I mentioned the limited access to university and therefore limited access to foreign languages. Only a few people spoke a

foreign language. The Portuguese news media had broadcasts in French and English, but they were different from coverage in Portuguese. They allowed more of the outside world to come in because those who could understand already had access to foreign ideas, who traveled, who could listen to the Voice of America, the BBC (British Broadcasting Corporation), the French radio, and so on. That kept everybody in line. The system only required four years of schooling. That allowed you to get a driver's license or read enough to drive a tractor. But young people quickly became functionally illiterate by the time they were in their 20s. There was not enough education there to make it stick.

Q: Was this deliberate or economic?

LLOYD: I came to believe it was deliberate. It kept out poisonous foreign ideas that would upset the delicate balance of the Portuguese corporatist state had instituted since the thirties. There was a story of Salazar taking in the fifties a group of British journalists around Porto and stopping along a road where a man was plowing on a rainy day in February in bare feet with an ox, with his wife walking along beside. Salazar said to the British journalists with pride: "This is the courage of Portugal. This is the courage of the Portuguese peasant." Well, of course, he was pilloried in the British press, but that was their attitude: with courage and a reverence for the past things would stay as they were.

Turning to Africa, as I alluded to earlier, Portuguese people believed that Prince Henry the Navigator lived only yesterday.

Every Portuguese school child knew all the dates, knew the names of all the great explorers who got around Cape Juby, in Senegal, and on to Angola and Mozambique, and finally to India, to Goa. The glory of the past was constantly revered. It was a backward looking culture and a culture of disappointment that, said "We discovered the world, but we don't own it anymore!" Writers have said that had Portugal been more populous, it would have been able to keep garrisons along the West African coast, and to keep their enclaves in India as well. So this was what they called the overseas provinces. There was a department of overseas provinces. They considered this an integral part of Portugal and Portugal's culture.

Q: But now going back, sort of getting the initial when you arrived there, you might say, characterize the mind set of the embassy officers and others you were talking to about whither Africa and whither Portugal.

LLOYD: Well, I think there were divisions within the embassy on this. Some said, "Look! We have to get along with these people." The twin assignments of a diplomat are to get along with the country that you're assigned to, but also to represent the United States. These two forces were in conflict with each other. The secret police was very active in tapping telephones, locking people up, questioning them, and applying the pressures that kept the system going. Some people in the embassy found it difficult to deal with a government that enforced that kind of rule on its people that was so undemocratic and so contrary to the U.S. outlook.

The ambassador at the time was Ridgeway Knight during most of the time that I was there. He was a career Foreign Service officer, born in France, who had served as ambassador to Belgium just before coming to Portugal. He had been displaced by the appointment of Dwight Eisenhower's son, John Eisenhower, to Belgium, which I think came as a great disappointment and shock to him. He'd earlier been briefly ambassador to Syria. He was bright and skilled; he was not going to rock the boat in Portugal. He said, "Our job is to get along with this government. We don't have to like them, but we're going to get along with them. I have to work with the upper levels of the government."

To give you one example: Once several members of the Political Section, which I headed, got together with the Left. This was very much the approved Left, not the clandestine Left. We had five or six Americans and six or eight Portuguese who were of a liberal bent for cocktails. Well, Ambassador Knight was told by the Director General of the Foreign Ministry a few days later, "If your staff is going to have this kind of a group together, you're going to find it difficult to deal with us."

Q: Wooh!

LLOYD: I was told to lay off. While I was not prohibited from seeing these people, we no longer could see them in a group.

Q: It was sort of cutting you off at the knees!

LLOYD: Absolutely. There was a requirement at that time in Portugal that any meeting of more than about six people required a permit. While this did not of course apply to diplomats, it was a form of control over the society. You couldn't get a community association together to meet without a permit because the government wanted to know what was going on and who was meeting and why. When we get to talking about how it all came apart in 1974, this will become clearer. It's a question of access to a group that became the key.

Q: How did you go about your business? In the first place, did you find anybody interested or paying any attention back in Washington to what we were doing there other than keeping the Azores?

LLOYD: Yes, there was a lot of concern, of course, with the military. Our defense attaché's office was very close to the Portuguese military. There were several very outspoken and very talented officers in the economic and political sections who had deep misgivings about Portuguese society, and deep misgivings about their ability to work with people who were so far out of the main stream of U.S. thinking on civil liberties and human rights.

Q: Well, it's interesting that Portugal never sort of incurred within from the American press and all, the odium that came from other places that had regimes, from what you're describing, less authoritarian. But was it just that you just weren't on anyone's radar?

LLOYD: I think so. When I went there, Ridgeway Knight said there would be a revolution soon. I was concerned that it sounded like a sleepy backwater. He said, "Don't worry! You get some language training, and we'll have a revolution in no time!"

Well, that was the understanding I had. It didn't quite happen that way. It was nearly three years before the revolution came about. But I think the Office of Iberian Affairs in the Department was focused much more on Spain. To the extent it was looking at Portugal, it was looking at dealing with the Bureau of African Affairs with respect to Angola and Mozambique, and with the military.

Q: It always seems that there is a continuing Azores negotiation. Anybody who served there, they were either just starting or just ending and getting ready to start again.

LLOYD: Yes, exactly, and I think that was the case. Although I don't believe there were serious base rights issues during the time that I was there, it was an ongoing issue.

Q: In a minute we'll come back to the '73 war.

LLOYD: Yes.

Q: What about Africa? Did you get involved in the battle of Africa? We had it between the African or Middle East Bureau, and in Algeria and France, and one time in the sixties, and all. I'm talking about an intradepartmental-

LLOYD: Right.

Q: ...fight over who reports and what and all of this.

LLOYD: Yes.

Q: Were you on one side, or what?

LLOYD: Both the consul general in Luanda and the consul general in Lourenco Marques [Maputo] were like the Consul General in Jerusalem, independent consuls, and they reported to Washington and not to an Embassy. The people who were there were African hands, not European hands. Hank Van Oss was the consul general during most of my tour in Lourenco Marques. He had been in the language class with me, spoke some Portuguese, as we all were beginning from basically zero. Dick Post was the consul general in Luanda and spoke really quite good Portuguese, which he had picked up there by being very active. In each case they were trying to hew a line that was often unclear to them as to what their relationships with the Lisbon government should be. They were able to deal with local leaders approved by the government. They had to deal very much with the governor general and the military that were in charge of each of the two provinces.

Q: Yes. Were you carrying on? Did you feel you had a watching brief to see what was

going on or was it really in Washington where the Iberian desk and the African Bureau would sort of get into their-

LLOYD: It was in Washington.

Q: Yes.

LLOYD: I think that we were copied, of course, on everything that came out of Lourenco Marques and Luanda, but I don't to my knowledge remember Ambassador Knight getting into "So and so shouldn't be talking to so and so," or "These comments are off base," or anything of that kind.

Q: Did-

LLOYD: The action was in Washington, and actually I had been involved much earlier in my career (when I was desk officer for Morocco) in squabbles between AF and EUR on Spanish Sahara that we talked about a little while ago, where the NATO area, the use of American forces outside the NATO area was a matter of some debate. The African Bureau objected to an assertion by EUR that these forces could be used on "Spanish" soil outside the NATO area.

Q: Yes. Were you able to get into serious discussion with Portuguese contacts about what was happening in Africa?

LLOYD: Yes. We got to know a lot of people in the press. They were very forthcoming with us. They wanted to get their story out. We knew that we were being spun to some extent. They were very helpful in terms of giving the embassy and us perspectives.

We were active with some other elements. Interestingly, the Papal Nuncio's office was very well plugged in. There were a number of literary societies, which were the precursors to opposition political parties. Many active in those societies became important players in post revolutionary Portugal. I remember one fellow I'd gotten to know; he was very young and very liberal, really an academic. His name is Vitor Constancio. I had lunch many times, and often discussed what was going on in Africa and in Portugal proper. I remember very well in the end of June one year (in the days when fiscal years ended then), we got a telegram saying, "There's a leader grant available. Can you use it by the end of day so we can obligate the money?"

I was having lunch with Vitor Constancio that day. The PAO (Public Affairs Officer) was a good friend that I'd been in Portuguese training with. He said, "Sure, sure! We're going to lose the money otherwise!"

So I felt badly handing out this huge packet of money and a wonderful opportunity to a fellow who seemed to be too young and too far left to be going anywhere in Portugal. Well, about two years later he was Minister of Commerce. Today he's the Portuguese governor of the European Central Bank.

Q: Wow!

LLOYD: He's 58 years old today. I saw his picture in the paper this past month.

Q: Yes!

LLOYD: This was a really important trip for him!

Q: Yes!

LLOYD: He had extraordinary opportunity at 28 to spend 30 days in the U.S.

Q: Yes, yes. Cast your bread upon the waters!

LLOYD: Well, exactly! I remember coming back to the Embassy that day and wondering if we had just thrown the money away.

Q: Yes. This is the time of… We were still sort of in the '60s generation. Young people, including Foreign Service officers, the younger ones, were feeling full of fizz and vinegar, more or less, and trying to change society and all that. Was there a problem? Did you find this now as an August senior officer there, having trouble sitting on your officers and others in the embassy?

LLOYD: Yes. Some of the younger officers slanted their reporting so as to discredit the regime. They often would speculate on who would be in charge of Portugal in the future. We were all wondering, "Where's this country going? It was run by old men. Where is it going to go? What's going to pull it apart?"

There was a Communist party that was there. We weren't in touch with the Communist party, but we were aware that there was one. Occasionally we would get just a whiff of some of the clandestine activities. A man would say, "Well, you know, I got a call last week, and someone said, 'Leave the keys in your car!' and hung up. He would leave the keys in the car that night, and the car was back in the morning. There were 500 more kilometers on the odometer, and a bridge was blown up, but he didn't know anything about it."
Well, that was a dangerous thing to do because that phone call could have been monitored. People were willing to go that far. But the leader of the Communist Party toughed it out throughout this period. But they did tough it out, and they were given a very rough time by the secret police.

Q: Did you find out were there places, I'm thinking particularly of where junior officers would go or probably they shouldn't go or something like that?

LLOYD: Getting people together was a difficult thing to do. There was a literary society that was called the Literary Union, where young writers would go. Many of us belonged

to this. It was sort of a luncheon club where you could meet people. A lot of the people who appeared later in Portuguese history were then in their forties perhaps and very active in this Literary Union. But they had to be very cautious and very careful. For many it was the question of, "How far shall I go in opposition to the government to build support for the future and not get bounced out of the country?" Mario Soares was exiled from the country. He spent some time on São Tomé, the island off Rio Muni, off Cameroon. He eventually was allowed to leave Sao Tome but he couldn't come back to Portugal. He was teaching at the University of Nanterre in France and was very closely in touch with people in Portugal. But until the revolution he was an outsider. I don't think many people would have thought that he would become prime minister and later the president of Portugal.

Q: Yes, yes. Were there any efforts on our part through our embassy in France to make contact with exile groups as we often do in something?

LLOYD: I don't know. I hope we were in touch with Soares.

Q: Yes, yes. Well, this is obviously an unclassified interview. But, you know, at some posts I've been to very obviously the CIA plays a big part. When I was in South Korea they were riding high. How did you feel? Was CIA much of a presence, or again, was this pretty low on everybody's-

LLOYD: There is a liaison presence with the police and not much more, not very active. The station chief was known to the Portuguese authorities. I'm sure there were other assets in the country, but the station's reporting was not very good.

Q: Yes.

LLOYD: It was not very profound. I think it was felt that there was perhaps little purpose in keeping a line out to the left. That was a mistake, because as it turned out when the revolution came and all the people we knew on the right were swept aside. We had just a handful of contacts through a sports connection, through a club, through a few journalists we knew. But there weren't many of them.

Q: Back to sort of international affairs, you had the October 1973 war between Israel and Egypt and Syria, and re-supply became quite a problem and all that. Did that cause any ripples or problems where you were?

LLOYD: It did. It became very clear during the first days of the war that Israel was using up supplies at a much faster rate than they had planned. Their rate of use was based on '67. They were using supplies much faster, and were running out. The question was debated in Washington as to whether the Israeli Air Force would come and get the arms they needed. The American government did not want to appear to be sending American material and Americans and American supplies to Israel. In his recent book on the 1973 War Dick Parker notes that at one time there was a plan to bring El-Al aircraft or chartered planes into bases in the U.S. to pick up supplies. The plan was that they would

land in Israel at night and leave before light so as not to be seen.

After a time it became very clear that these disguised ways of supporting Israel were not going to work. The military airlift command, MAC aircraft were used. The C-5A, the aircraft you spoke of a moment ago, could take one M-60 tank, just one. That's all. But the public affairs impact of this immense, apparently invulnerable American tank arriving in Israel was very great.

The planes could not fly non-stop from the U.S. to Israel. The U.S. asked Portugal whether an undisclosed or unspecified NATO non-NATO use could be undertaken through the base at Lajes in the Azores. The Portuguese were slow to respond. They wondered whether they were going to get themselves into a situation where oil supplies would be cut off or their overseas colonies might be attacked. Finally, there was a letter from President Nixon to Caetano putting tremendous pressure on Portugal saying in effect that if Portugal agreed we would remember them and if they did not we would never forget. The Foreign Minister at that time, Rui Patricio, was angry, and said to our chargé, "You don't treat allies this way!" They were being muscled. No question about it. From the American government perspective they were being muscled for a purpose, and that's the way it was to be. The regime lasted only for another year, and there was surely some effect on our relations.

Q: Did you find the Portuguese-American communities, I think of cranberry people in Massachusetts and in Rhode Island and all that as Senator Pell, of course, was always a great proponent of anybody who came from Massachusetts, Kennedy, and all that company. Did you find that this played much of a role in what you all were doing?

LLOYD: A little bit in that there were members of the House of Representatives, who had a substantial Portuguese ethnic population, who had an interest in Portugal and occasional visits. We were often called on to provide briefings for visitors. Generally it was done together by the PAO and by me. We would talk about political, economic, social issues, and so on. Many of those visitors were Portuguese Americans who were back for a visit. Most of the Portuguese population in the U.S., which was in Massachusetts, Rhode Island, in New Jersey in the Newark area, in San Diego (in the fishing business), came from the Azores originally. There were long and deep ties. There were people who went back and forth all the time. At the terminal at Lajes there were planes disgorging Portuguese-Americans coming for a visit, or meeting grandmother, or picking grandmother up.

Many people from the Cape Verde Islands came to the U.S. to work and returned home as retirees. There were a number on Social Security. The consular section handled Social Security checks and issues with regard to the Cape Verbenas because they were within our consular district. One we found that widows in the Cape Verdes were living 50 or 60 years after their husbands' deaths. After a while the Social Security Administration asked us to check, and we sent a vice consul down to the Cape Verde Islands. Apparently a practice had grown up where a man would work his life in Fall River and come back at 65. He'd begin to get Social Security, and given the difference in the cost of living he

was a very rich man. He would then "marry" a 10-year-old girl, who would continue to live with her family. But the father would provide a house for the old man. The old man would live in that house for life. Then the young widow, still a teenager probably, had an income for life. She would get the widow's pension.

Cape Verdeans were often of mixed race, a European Portuguese and Africans, what would be called "coloured" in the South African sense. Many of the administrators throughout the Portuguese colonies were Cape Verdeans. When I traveled in Angola and Mozambique I often met administrators who were Cape Verdean.

I should mention the Portuguese attitude toward race. The Portuguese drew a line between those who were entirely of African blood and those who had some European blood. In contrast we Americans seem to draw a line between those who are entirely while and the others. The Portuguese drew the line at the other end of the spectrum. It was an aspect of this very regressive society that was paradoxically liberal. Obviously the people at the top, who were purely European, were quite racist. But I don't think for the most part, the society was racist.

Q: Coming back to Portugal before the revolution, did other embassies, particularly the British, the French, the Germans, and the Scandinavians, play any role? Many of them later jumped in with both feet, particularly those that had a socialist or labor type government to support after the revolution. But at the time were they playing the same game we were playing, more or less, just so long as the place was restful and all?

LLOYD They were trying to. They certainly weren't trying to encourage change. They, like us, were trying to puzzle out: how the change would come. We all asked ourselves whether the revolution would come from the left or the right. We asked ourselves: Who can meet? Who has the means of repression? There were elements of the Communist party, supported primarily by the Czech Communist Party, that were active in Portugal and would keep the flame of the far left alive by blowing up power pylons and that sort of thing every so often.

We worked with the British embassy, with a number of colleagues at the German and French embassies also. They were trying to analyze where the country was going. There was a parliament at that time, but it was a parliament that had to be very cautious indeed. The opposition was in a small minority, and they had to be very careful of the positions they took. We tried to send one opposition leader to the U.S. on a leader grant. For some reason he had to travel by a certain time, or he wouldn't be able to travel for some internal Portuguese reason. He sent his passport to the embassy, and it was "lost in the mail." The passport turned up a month later and was returned to him. I think the embassy had no doubt at all that his mail had been opened. His passport had been held to make it difficult for him to come to the U.S. His name was Sá Carneiro, and he was later killed in an airplane accident. He appeared to be the prime minister in waiting. He was intelligent, spoke English and French, and very well educated, and just within the bounds of what was acceptable in pre-revolutionary Portugal. He was being pressured and harassed. He knew his mail was being opened and his phone was not secure. But he nonetheless

continued to press.

We'll talk for a moment about the economy and labor. The labor union was part of this corporatist system where everybody was hooked up with everybody else. The name of the union was the National Federation for Happiness at Work.

Q: [Laughter]

LLOYD: I've always loved that name, because strikes were illegal. If you put your tools down, the boss would come by and say, "Are you on strike because if you are, I'm calling the police, and you're taken away for 30 days. You're not going home tonight. Otherwise you should get back to work." Hours, conditions, pay, and those things were handled by the National Federation for Happiness at Work. There were efforts to organize unions in some factories, and they were all seen as subversive procommunist efforts. The economy was run by the banks. The banks held much of the equity of big companies, the companies that were trading, were building ships, that were making things, or selling consumer goods. The banks all owned pieces of those companies and pieces of each other. So there was an interlocking economy where everybody knew everybody else, and everybody owned a piece of everybody else. The big banking families, all of whom fled at the time of the revolution, are pretty much back in power today. Somehow they've been able to recoup and either pull assets out at that time, but they came back in about a decade. They're still very important, but they're not in charge of the country as before. It was a very small group at the very top. Salazar and later Caetano tried to make certain that they were satisfied and that their interests were satisfied.

Q: Well now, let's come to the revolution. You mentioned there was a chargé. Did we have an ambassador at that time?

LLOYD: Well, Ambassador Knight left in December of 1972, and in January of 1974 (in other words, 13 months later), a new ambassador arrived. His name was Stuart Scott. He had been slated to be the legal advisor of the Department. But when Henry Kissinger became secretary in '73, he had his own ideas as to who he wanted to have as his lawyer. Stuart Scott was an eminent Republican, a New York lawyer from Dewey Ballantine and was not someone to be discarded. They looked around for something else he might do. He was 67, the same age as Caetano. They both spoke French. Scott had studied in France in his youth. So that seemed like a good fit. Scott arrived, and told us in his senior staff meeting from the very start, "Look! I'm in your hands. However the weekend of April 22-24 I'm going back to Cambridge to resign from the Harvard Law School Board of Overseers, and I want to be there for that event. So other than that weekend you make the plans, and let me have your ideas. I'm entirely at your disposal."

Well, during the spring of '74, there were a number of disturbances. It became clear that something was going on in the military. There were groups of dissident officers, many of whom were educated and were spending their national service in Africa. They were of this upper class that spoke a foreign language and knew what was going on outside Portugal, and were really horrified and ashamed of the retrograde regime that continued

in Portugal. It was they, really, who were at the helm of the revolution. They could meet together. They had reason to be together. They had reason to communicate with each other. They had some idea of clandestine communications, or at least confidential communications, and finally decided (a small group of them, and it was a very small group) to take over. The signal for the beginning of the revolution was given on the radio by playing a particular tune, because they had people in the radio station. This was called the Revolution of the Carnations because it was bloodless. There were pictures at the time of soldiers standing guard with a carnation coming out of the muzzle of the rifle. Caetano was taken prisoner, the government was dissolved, and a committee of national salvation was formed. This consisted primarily of army officers, many of them at the major and lieutenant colonel level. We had no idea who they were.

Anyway, let me then backtrack to Stuart Scott and his trip to Harvard to resign. He left as he expected to. At that time, just after he left, the revolution began. He got as far as the Azores, and was told he could not land in Portugal. He tried to get back for about a day or two. He wasn't sure whether this was just another disturbance by a group of dissident officers who would be locked up. It was hard to get any news. So he decided to go on to Boston. What he should have done, in retrospect, is very clear. He should have flown to Madrid and had an embassy car take him to the door so he could hammer the gate of Portugal and say, "I'm the American ambassador. I want to get back in." The Portuguese would then be put in a position of physically keeping him out.

Well, he didn't do that, which meant that he was replaced in a few months.

Q: Yes.

LLOYD: Dick Post, who had been chargé for a year was in charge during that time. From other contacts he knew one or two people in this committee that took over the country. Through a writing club that Dick and I belonged to he knew one of those people quite well. It goes to the idea of, you know, putting your roots down in the society in every possible way you can, whether it's sailing a small boat, or hiking, or archaeology, or whatever it might be. All the people in the foreign ministry were gone. We didn't have any contacts there. A young major was sent over to sit in the foreign ministry, and he just took the mail over to the committee.

Q: Where were you? How did you hear about the coup and what sort of were you doing?
LLOYD: Well, I lived on the outskirts of Lisbon. The coup began during the night. It was clear, as I was coming to work at eight o'clock one morning, that something unusual was happening. There were a lot of soldiers in the streets, and nobody really knew what was happening. It was not really until the middle of the day that we began to see that this was not just an alert. We then began a series of telegrams to the Department and telephone calls to the Department to keep them informed hour by hour. We had very few ways to find out. The embassies were just told to, "Sit still. Stay there. There will be public order. You should be assured that there will not be disorder in the street, and we'll let you know." The embassies were of no concern. They felt that "This is a Portuguese issue. We are dealing with a 40-year-old problem, and we'll deal with the foreigners at some future

time." Eventually contacts began to develop with the regime. There were rumors flying around all over the place. The Department would have liked every rumor to be reported, but there weren't enough hours in the day to write them all down.

Q: Well, I mean, this was the first, maybe the only, coup that I can think of in a NATO country, wasn't it?

LLOYD: I guess so.

Q: I mean, the French had gone through-

LLOYD: The French in 1958…and Turkey.

Q: And Turkey, too.

LLOYD: Turkey, yes. There had been military coups in Turkey in what, the seventies, sixties.

Q: Seventies.
LLOYD: Yes.

Q: Yes, and sixties.

LLOYD: But this was barely a coup. While the military officers were there, there were no tanks in the streets. There was some force used, to capture Caetano, but very little. I don't think anyone was killed. Very few people were hurt.

Q: Yes. I would think the two key people, two key outfits from our embassy thing would be 1) obviously the CIA station chief and his operation, and 2) the military attachés. Were they sort of as much in the dark as you all were, or?

LLOYD: The station chief had changed by that time. A new and more vigorous fellow was there. I think that he had some inkling, just as we in the political section had some inkling, that there were stirrings going on in the country and that the days of the regime were numbered. But we couldn't be much more specific than that. For about 18 months before the spring of '74 we had felt that the army was probably where it would come from. They had the means to do it; they had reason to meet; they had the organization and ways to communicate. Our defense attachés had been historically very close to the Portuguese military. In fact, I think that I mentioned earlier, there were divisions within the embassy were often between the defense attaché side and some of the younger officers in the economic and political sections. I remember once there was some bad news to give to the Portuguese military, that we wouldn't do something they wanted us to do. I remember the naval attaché saying to the ambassador at a staff meeting, "Why don't you have Wingate do that?"

"Our relationships with the Portuguese navy are too important to put at risk on an issue

like this."

Q: Yes. [Laughter]

LLOYD: So much for representing American interests [laughter]! So after the coup the Attaches had few contacts, as all the leadership of the Portuguese military had been shunted aside, just as the leadership on the civilian side had been.

Q: While this was going on were we monitoring the war in Angola, Mozambique, and elsewhere? Were the military's young officers seeing a losing war, and what the hell are we doing in Africa? I mean, was this sort of hovering over?

LLOYD: I think so. Many of the early leaders of the coup came from the military units that had been in Angola. I took a trip to Angola in 1972 and was impressed by how thin the veneer of Portuguese culture was, laid over an African context. In the interior people didn't speak Portuguese. I remember I took a railroad trip on the Benguela Railroad into the central and eastern part of Angola. I remember talking in Portuguese to an Africa local official through an interpreter because the official didn't speak Portuguese. So despite 400 years of what they called the "civilizing mission," the civilizing mission had not gotten to the part of teaching them a European language. With the very small two-man post in Angola and the same in Mozambique I don't think we had the ability to know much about what was going on in the African population there. The dissidence in Angola began in '62. By the time of the 1974 coup in Portugal, it had been running for more than a decade. There were terrorist attacks on bridges and railroads and that sort of thing, but there didn't seem to be a government in the making. There seemed to be sporadic warfare.

Q: This coup in '74 came at a time when there was increasing concern about Eurocommunism in Italy, particularly in Italy and France, where they were trying to put a new face on in order to gain more popular support and all. What were we seeing right away? I imagine we were looking at communist influence?
LLOYD: Yes. The socialist Mário Soares returned to Lisbon a few days after the coup to a tumultuous welcome at the railway station (which I went down to), people throwing flowers, and carrying him on their shoulders from the train. He arrived from Paris. The communist leader, again I will fill in his name, arrived at the airport and stood on a tank, as Lenin had stood on a tank, and pronounced that he had arrived.

Q: Yes.

LLOYD: I think for many Americans they saw communism as inevitable for Portugal.

Q: As events played out this was really in the mind of Henry Kissinger.

LLOYD: Yes. I think that, as I understand it, he more or less said, "Let it go. Let Portugal go communist. They'll soon learn their lesson, and they'll swerve back to the middle eventually. But they're going to have to go all the way to the Left first."

It was Carlucci, who arrived at the end of '74, who began to argue that a French-style socialist, Soares, was not really a communist, and we could deal with him. He was very skilled obviously in handling these things. Stuart Scott had a short and not very productive or happy stay in Portugal. He didn't speak the language, couldn't listen to television or the radio or speeches and that sort of thing.

Q: When did you leave?

LLOYD: I left in late June or early July of '74. But remember what was happening in America at that time: We had the Saturday Night Massacre the previous autumn. The president was two months from resignation. America's eyes were elsewhere. There was little time to think of Portugal.

Q: Well, how did you find, I mean, during this time…the coup happened when?

LLOYD: April 22, 1974.

Q: So really you weren't there very long, were you?

LLOYD: That's right. I was only there for six weeks, eight weeks.

Q: Yes. I'm surprised they let you go. I mean was this just that nobody was paying attention to it?

LLOYD: No, they had it that we had an overlap with the incoming political counselor.

Q: Oh! Who was that?

LLOYD: Charlie Thomas. He later became Ambassador to Hungary. He and I overlapped for about 10 days, and that seemed to work out.

Q: When you left there then, what was your feeling whither Portugal?

LLOYD: It looked as though it was going…I think the U.S. seemed to think that it was going all the way to the Left. I didn't think so. Now maybe that was because the people that I knew who were really waiting to take over were people who were European French-style socialists. Soares had written a number of books about the future of Portugal. I think it was clear what he had in mind. He did not have a Communist dictatorship. He was himself anti-communist and had fought communists in Portugal just as he had fought the right wing regime.

Q: Well, what about it. I mean I imagine there was an awful lot of scurrying around trying to figure out not only who was running the government, these military types and all, where were they coming from, and how could you deal with them.

LLOYD: A counter coup was mounted in the fall of ’74 by General Antonio Spinola, who had been the Portuguese commander in Portuguese Guinea, Guinea Conakry. He tried to save the country from the Left. He was of the old regime, but saw himself as a more liberal element. He did not last, and his departure was followed by the full swing to the Left. Only by ’75 did Portugal begin to find some equilibrium.

Q: Did you in the short time you were there in the coup, were you able to make, talk to anybody in the government?

LLOYD: Not in way that would yield a confidential and meaningful comment. I mean we could do business, but they were feeling their way. The young officers that we met with were really simply surrogates, and in those early weeks we weren’t sure who was behind them.

Q: Normally when there’s a coup usually there’s either a pronouncement that, you know, “We’re doing away with all these treaties with these nasty countries, including the United States,” or, “Rest assured! This is an internal matter. We will maintain our commitments and all.” I mean these are two just sort of general reactions.

LLOYD: Yes, it was the latter. It was the latter. “We’ll maintain our commitments.” Of course the signals we got from Washington were, “We need to keep that base.” Certainly the U.S. military saw our tenure at Lajes to be threatened by a left wing coup in Portugal. This specter in the seventies of a Soviet base in Mid-Atlantic, was something to be considered.

Q: Again, this is unclassified interview, but I have to ask: was there at least speculation that we might land some troops there if things really went bad?

LLOYD: Well, we had troops. We had American Air Force personnel in the Azores, but they weren’t combat troops.

But I never heard of anything of that kind.

Q: Was there ever talk about Azores independence, you know?

LLOYD: Yes.

Q: I mean we had this strong tie to the United States and-

LLOYD: There was talk of Azores independence as the whole country began to fragment, the string of Cape Verde Islands off Senegal, São Tomé, and Príncipe, the islands off of Rio Muni, Cameroon, Angola, Mozambique. Goa had already been taken over by India. Macau remained. East Timor was not taken over for another year by the Indonesians. So the whole empire, such as it was, these remnants of empire, were falling apart.

I was in touch with an Azores independence proponent, but his objective was greater local autonomy. I don't think that the people of the Azores thought for a moment that they could go anywhere alone.

Q: Were we making, were we concerned, or was it done in Washington, and again, I'm not sure if it was on your watch at all, about what's going to happen in Africa, in Angola, Mozambique, and all, of turning over arms and all that sort of thing? Had they started to pull out by the time you left?
LLOYD: Well, Henry Kissinger came to Portugal on a visit, returning from the Middle East in 1973. There was some talk at that time (I don't know how serious) of assistance by the United States to Portugal as a price of continuing tenure at the air base in Lajes. I don't think it went anywhere because the 1974 coup was just a few months later. I think that the Portuguese lost no opportunity to press the Americans for things which they needed in Africa. As I mentioned in the beginning of this portion of the interview, they were angry that they got no assistance. "Here we are a NATO country. We are trying to save Africa from godless communism, which is certainly in the interest of you Americans, and you're not helping us because of this hang-up you've got about colonies and decolonization and self-determination and that sort of thing."

Q: Well, then you left in July of '74 whither?

LLOYD: Yes, well, I went then to several assignments in Washington, the first of which was to head the bilateral section of EPA's (Environmental Protection Agency's) international office. Then I came back to work for Larry Eagleburger for a couple of years when he was under secretary for Management under Kissinger. Then I went to the Senior Seminar.

Q: Okay, just one second. Bill Rau, R-A-U, has been sitting in on this session. Bill, do you have anything you want about this?

RAU: I'm curious about the Azores. You mentioned Lajes, the air base. Did we have naval facilities there as well as? Was there a deep-water port there?

LLOYD: There was, and it was referred to over the years as a naval base. In my time it was an air base. They had a very long strip that was maintained by the U.S. Air Force. I think that submarines during World War II used the Azores. I think Lajes was the name of the village near the air base. As to the U.S. Navy and the Azores, there was an underwater acoustical range in that area that tested how subs could work and talk to each other and communicate.

RAU: I guess because we had Rota, Spain, that it wasn't a staging area for the Sixth Fleet, for example.

LLOYD: No, it was not. It was not like Rota, which I visited. Bill, I think that earlier it had been a naval asset of some kind. Maybe it had been a fueling port or something of that kind during the war and many years after the war.

RAU: Yes, because when you mentioned the naval attaché said to the ambassador, "Why don't we let Win take this one over because we have too delicate a relationship with the Portuguese navy."

LLOYD: Yes, yes. Well, they prized their relationship with the Portuguese military. Once in a staff meeting one of the defense attaches reported a statement from the Portuguese side in which we were being spun. I said I doubted it was true. He looked at me and said, "The man is a military officer. He wouldn't lie to me."

I just sighed and said, "Oh, well!"

Q: [Laughter]

RAU: I couldn't help it. This is not a question. It's just a comment. I couldn't help but compare the kind of differences and attitudes within the embassy that existed in Lisbon with these African colonies and the situation in South Africa when I was there. We had a very similar situation where the U.S. military had a very close working relationship with the South African military. Obviously we're all against communism, aren't we?

Q: Yes.

RAU: The South Africans played that to the hilt. We had the same problem of dealing with non-whites in South Africa. We ran two separate Fourth of July receptions, etc., because the government, although we could have contact with the blacks (those that were still in the country that weren't in jail), it was very difficult for them and for us, and you know, there would be repercussions afterward.

Q: Just to go ahead a bit. When Frank Carlucci came in, in a way it has been portrayed as sort of a little bit like Jesus coming and cleaning out the temple, that the embassy was not tough enough. Did you have any feel about that?

LLOYD: Well, there was a lot of change. Herb Okun was the DCM who went out just before Carlucci. There was a feeling in Washington that, that embassy was not functioning right. Dick Post had had some run-ins with EUR, so he was pulled out in the fall of '74, and Herb Okun came in. Just a week or two later I think Frank Carlucci arrived. I was in touch over the years with officers who worked for me in the embassy. Carlucci brought a very different style. The ambassador arrived and said, "I'm to be called Frank, and that's an order." They did call Herb Okun, "Mr. Okun."

RAU: I know Herb, yes. [Laughter]

LLOYD: There was a lot of change. I think it made a big difference to have two people at the head of the embassy who spoke the language, albeit with a Brazilian accent. Carlucci went on television, on radio; he would debate people, in contrast to Ambassador Scott, who did not speak Portuguese.

Herb Okun with his background in Soviet affairs certainly brought a viewpoint on these things. I think they did a good job. Carlucci succeeded in turning around the secretary of State as has been widely reported, which was not an easy task with that secretary of State.

Q: No, no. Well then, '74 you went first to the EPA, the Environmental Protection Agency?

LLOYD: I did.

Q: What were you doing there? First, how long were you there?

LLOYD: I was there for a little less than a year.

Q: Yes, that would be '74-75?

LLOYD: Seventy-four to seventy-five. Then I moved in '75 to work for Larry Eagleburger and Earl Sohm in an office that was then called Management Operations (MMO), and then I went to the Senior Seminar.

Q: Let's talk about EPA. What was this about?

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This is the April 10, 2001. Let's talk about EPA. You were there what, '74 to '75?

LLOYD: Seventy-four to seventy-five for about a year, a little more than a year.

Q: What were you up to?

LLOYD: Well, I was the director of what was called the Bilateral Relations Division, within the international bureau of EPA. Their objective essentially was to attempt to encourage other countries to do the same kinds of things in the environmental field the United States had been doing since the beginning of environmental legislation in this country in about 1970. Our purpose was to encourage bilateral agreements, which we had with Brazil and Germany (I was involved in those two anyway), and several others, and to foster ties between environmental organizations. It was an interesting sort of interlude. The environment was hot in the seventies, as you know, and I enjoyed that year. The administrator of EPA was Russell Train, a lawyer and administrative law judge who had come to EPA from the Council on Environmental Quality, which was part of the White House.

The activities of the organization of the international side were fairly diffuse. I found the job after six months or so less than fully challenging. So when an opportunity came to go to work for Larry Eagleburger in a new office called Management Operations at Department, I was eager to make that jump.

Q: Well now, let's talk a little bit about EPA.

LLOYD: Yes.

Q: EPA was a pretty new organization, wasn't it?

LLOYD: It was established in 1970. Bill Ruckelshaus was the first administrator before he became deputy attorney general. He was part of the Saturday Night Massacre in 1973.

Q: This is the Nixon administration?

LLOYD: In the Nixon administration. Being in the environmental field in the Nixon administration was working uphill.

Q: Yes, I was going to say-

LLOYD: It was working uphill the whole time. Russell Train, I remember his saying that (he had been a lifelong Republican) when he felt he was being sued by both sides, by both the conservatives and the liberal side of the spectrum, he felt he was doing his job. But there was a very large program with the Soviet Union to try to involve Soviet scientists and Soviet environmentalists, people in various sub disciplines in a very complex series of committees. This was part of the effort in the early years of the Nixon administration to expand our relationships with the Soviet Union.

Q: This was detente, wasn't it?

LLOYD: This was detente, and detente at a micro level with dozens of scientists going back and forth, earthquake prediction teams that would meet and examine the level of technology in the other country.

Q: Looking back on what was then the Soviet Union and that whole area which now is broken up into littler countries, environmental it was absolute disaster. I mean under Soviet rule the Caspian Sea had gone practically, you know, overuse of quotas and not caring about the environment, and dumping stuff. I mean when you're going that way was this just a symbolic thing, or were we getting concerned about this?

LLOYD: I think it was symbolic and political. I don't think we were aware of the extent of the environmental degradation in the Soviet Union at that time. We were looking at a very high-level picture of scientific cooperation in the environmental field. But what was happening on the ground, the air quality, the ozone readings, the output of sulfur dioxide in the cities, the dumping, the groundwater contamination, all of those things were in areas that Americans simply couldn't get into in the Soviet Union the early 1970s.

Q: Were you sort of cut out from the intelligence field there as far as, you know, the CIA taking a look about what was happening?

LLOYD: Well, the CIA was interested in debriefing people who went to the Soviet Union and to talk to scientists. The American scientists who went there were quite naïve, and didn't bring back very much. But I know that many people who did travel there were debriefed by CIA in an effort to accumulate intelligence. We had some people who were very skilled in dealing with the Soviets. One in particular, who went on to be political counselor in Moscow, spoke both Russian and Chinese, he was dealing with this program.

Q: It wasn't Bill Brown, was it?

LLOYD: Yes, it was Bill Brown, exactly.

Q: Later ambassador to Thailand?

LLOYD: To Thailand.

Q: ...and Israel.

LLOYD: That's right, and to Israel. He had been put in Mongolian language training for a year for his sins, having already learned Russian and Chinese. In mid-1974 he had learned all the Mongolian that he was going to learn, and a decision was made not to open a post in Ulaan Baatar at that time. So with his Mongolian he went off to EPA. He arrived at about the same time. He was a very competent guy who worked very hard on this program, and I think was very effective in involving the Soviets in intellectual exchanges. I don't think that we got a great deal of information from it. Perhaps we were able to persuade some of the scientists that the American society was a more friendly place than they had thought before, I don't know.

Q: What about Western Europe? What were you seeing there? Were they looking at the United States as pushing too hard or being ahead of the game or something like that at that time?

LLOYD: Yes. I had a lot of experience with the Germans. The head of the German EPA came over, and I went on a trip with him to various places in the U.S. to show them what we were doing. I think we were ahead of them in the effort to clean up air and water. I think we had a technological edge, the product of spending a lot of money on this in the early seventies. The German EPA director was more of a coordinator than a federal figure, because in Germany environmental protection is handled at the state level, at the Lander level, so that the national EPA was sort of a chairman of the directors of the Lander across the country. Of course, this involved only West Germany. The real environmental problems, as we know now, were in the East.

But they were very interested in what we were doing. I took him, I remember, to an EPA experimental program in Cincinnati where they were dumping garbage and trash in one end of a huge factory. At the other end they produced fiber for felt roofing material, glass

in different colors that came out in different bins depending on the color, and aluminum, steel, and, other things. They were all recycled. That was an uneconomic program because it wasn't big enough. In order to make these things pay you really need a huge metropolitan area. They began it in Cincinnati, it was experimental, and I think it's been used a few other times. The Germans were interested and thought that perhaps in Germany where distances were not so great, they could concentrate trash and recycling. The Germans saw real possibilities.
Q: French?

LLOYD: The French, I don't recall a great deal of activity with the French. There were occasional exchanges of scientists.

One of the aspects of working at EPA, when one thinks of scientists, that I found very interesting, and I have kept in mind over the years, is that in contrast to the way the Foreign Service works, if you don't agree with your boss, you don't defer to his decision. A scientist would say that his academic credentials were as good as his boss's, would simply dig in his heels and refuse to go along with decisions at a higher level. So there were a lot of inefficiencies in working within the scientific hierarchies. I remember people cutting down their bosses all the time. "He doesn't know what he's doing! I did an important paper for my Ph.D. in this particular area and therefore my information is better. My knowledge is better, and I will try to undo whatever the boss does in this field." So as you can imagine that led to a very inefficient arrangement and direct contrast with the idea in the Foreign Service that you'd give the boss your best advice, and then if it goes the other way, you support whatever decision was made.

Q: Yes.

LLOYD: The Brazilians were also interested. We worked a fair amount with trying to interest the developing world in environmental protection. This is an issue that has come back to American policy today in the twenty-first century. In trying to interest them they would understandably turn to us and say, "Well, you spoiled your country while you were developing. Now you're trying to keep us from doing that with ours. Are you not simply trying to hold us back, or is this out of concern for the environment?" Today in American trade policy the inclusion of environmental measures, environmental concerns in international trade agreements, is considered by the developing world to be just that. Many in the developing world believe that environmental concerns are being proposed by the U.S. and by Europe in an effort to keep them undeveloped. While we purport to be interested in their rain forests, they believe that our real objective is to keep them down, to keep their wages low, and to restrict their ability to grow while polluting their air and water, and harvesting endangered species of flora and fauna.

Q: Well, then in 1975 you moved over to-

LLOYD: In '75 I moved from EPA to M/MO (Management Operations) for two years. There, it was a new office. Larry Eagleburger had been the executive assistant, the senior staffer, to Henry Kissinger. He'd just been named deputy under secretary for

management (M). He had a lot of interesting ideas. One of them was to try to investigate and to link foreign policy initiatives and foreign policy issues with budget, with money. It was a linkup that we worked mightily to try to establish, but it really doesn't add up. The example that's often used was - the opening to China in 1972 was a huge change in American foreign policy, but what did it cost? It didn't really cost very much at all. To try to link those two together was a difficult and perhaps implausible task.

Q: There's something in the mid sixties. I remember I was in Belgrade at the time. They were working on a matrix system where various things, you put money in here and put money in there and add it all up, and it tells you how well you're doing, or something like that.

LLOYD: Well, this is, I suspect, a successor to that.

Q: Yes. It didn't make any sense.

LLOYD: Eagleburger established something called the Priorities Policy Group, the PPG, which he chaired, and there was the director of Policy Planning, and the director general, the head of the Budget and Finance Office, and so on. We puzzled over the linkage between policy changes and money, and the relative benefit of allocating funds to one bureau rather than another. We did a lot of micromanagement of the bureaus, which the bureaus were very unhappy with. Basically we would come to you, the assistant secretary, or the executive office of the bureau, and say, "I'm sorry, but you've got a hundred positions. We're going to have to take five. And it's up to you to decide which five positions, and if you can't decide, we'll have to go through and analyze your own work and decide which five you'll have to give up."

Well, this was very difficult. Were it not for Eagleburger tie to the Secretary had and the diplomatic skills of Earl Sohm, I think the whole thing would have fallen apart. But it was an effort to try to trim bureaus and reallocate new positions to new activities. Some of the bureaus and John Thomas, you may recall, who was a consummate bureaucrat on the administrative side, would keep ghost positions available that he never filled, so that when the time came to give up five positions, he would groan and complain and say, "I really did have plans for those, but I'll give you these five positions." Then he would begin working immediately to increase position allocations to get the five back again, so that when the grim reaper came by again from M/MO, he would have something to hand over.

Q: As you were moving into this, as you're looking at the bureaus, could you come up with what bureaus most impressed you and which ones didn't management-wise?

LLOYD: Well, I think that a lot depended on the skills of the executive director of the bureau. Joan Clark in EUR/EX (Office of the Executive Director of the Bureau of European Affairs) was, I think probably without any doubt, the best. She worked through both official and unofficial channels. She had gone to great lengths over the years to maintain those channels. She later became director of M/MO at the very end of my two

years there. But I think those bureaus that basically were able to attract better people into the executive office were the ones that were most effective. I think that EUR was certainly the best. I think that NEA was good.

Q: As an old consular hand do you recall, it was around this time that I had the feeling that the consular business was beginning to get a handle on how to play the game. In other words, we were getting statistics, and we could show, I mean, unlike anyone else 1) we brought in money, and 2) we could show a workload.

LLOYD: Yes, that's certainly true. That's certainly true, and I can't remember the name of the fellow-

Q: Ron Somerville.

LLOYD: Ron Somerville, that's right. I worked very closely, and happily with him, because he could show the numbers. He could say, "Well, now in this post we're issuing a hundred visas with three people. In this post we're issuing 200 visas with three people. Now we need a position there!" Now you can't say that when you're writing political reports, when you're doing economic analysis. Much of the consular work, as you know far better than I, Stu, is amenable to statistical analysis. Ron was very effective in trying to bring resources to consular affairs, in part because he wrote very well, and he was energetic. I think those two things, of course, are important for any Foreign Service job. He had already been in that job when I came to M/MO. I learned a lot from him. We worked very closely together.

I think that ARA felt that it was being beleaguered. There were times when Arthur Hartman as assistant secretary for European Affairs felt he just couldn't do his job if there were to be cuts in EUR. And you could understand the position of an assistant secretary, that you have a mandate from the secretary to do the job, and you can only work your officers so many Saturdays and Sundays until people begin to break down and quality falls off.

Q: What about, I mean, this is the beginning of the computer era. Was this beginning to, I mean, what was the State Department approach at that time?

LLOYD: Well, we didn't yet have Wangs in MMO. Millie Leatherman was Larry's secretary. She had worked in S (Office of the Secretary) with him, came to M with him, and a wonderful boss's secretary who was very easy to deal with, far from a dragon lady at the top. Because she typed faster than anybody else and had not made a mistake for ten years, she didn't really need a Wang, I guess. I think they began in the late seventies. I know that when I got to EUR in 1978, each office was getting one Wang and one printer, and that was the beginning.

Q: In management at that time this is before the period where one could look to the computer as being not just a word processor, but do other things.

LLOYD: Yes, that' right. The Department did have computers at that time that were used obviously in communications, and they were also used in the financial area. They were mainframes, as big as refrigerators, and they were centrally controlled. One of the issues that Larry Eagleburger took on with John Thomas was the question of whether computer resources should be concentrated in John Thomas's Bureau of Administration, or dispersed to the bureaus. So this was the coming of the minicomputer, we called it, or the microcomputer. But also I think some spread sheets and some analytical tools were available. I don't think that anything approaching what we have today was then available. Most of the information was, as I recall, hand tabulated and hand analyzed. There were printouts that were very difficult to read and could not be manipulated very well.

Q: About this time I was in Seoul, and our DCM was an administrative man, Tom Stern. Tom took a great interest in this. In early times I was using the computer, I was working with, they had somebody coming from the central computer people to try to do an experimental visa thing. At the same time, I found out later, that the consular affairs people were working on the thing completely separate.

LLOYD: And then they didn't know.

Q: And they didn't communicate, you know. So here we were, you know, working on this. The idea was to get all the visa information on one screen, which wasn't easy in those days.

LLOYD: For one applicant, you mean?

Q: For one applicant, yes.

LLOYD: Yes, yes.

Q: But yet, Consular Affairs was going its own thing, and they weren't informing me. I mean it was a peculiar-

LLOYD: That's interesting because that's exactly what was happening in Washington. I was at the other end of the line. The contest between John Thomas, who said, "Look here! You bureaus don't understand these issues. We have experts. We will process the information for you. Tell us what you have. Tell us what you need, and we'll handle it. We have and will also keep control of the money for computers." On the other hand, the bureaus, led in part by Ron Somerville, were anxious to get the money out of A and into the bureaus' budgets with the idea that the bureaus were better able to decide on their own needs.
Q: Well, it's one of these little sort of bureaucratic battles that was fought.

LLOYD: Yes, yes.

Q: And it made sense.

LLOYD: Yes, it certainly did. Of course, during the seventies and eighties computers proliferated throughout the Department and eventually every desk officer had one. Everybody had one who really had a need for one. But this was the very beginning.

One initiative I might describe: Eagleburger was very interested in trying to rearrange the traditional embassy structure. "Do we really need a political section and an economic section? Could we not fold USIA into some other part of the embassy? Do we need to have a separate AID administrative section from the embassy administrative section?" He came up with a name for this which was called "Clean Slate," which sounds as though it's being rubbed clean, which as you can imagine made some ambassadors feel that they were imperiled. Several of us, Don Norland, Ed Perkins, and I (who started the office) were sent to different parts of the world to talk to people about a new approach to embassy organization. One idea was to have a single Reporting Section - rather than two political officers and two economic officers. Similarly, we proposed having a single administrative office rather than separate State and AID admin offices.

I think it was a very good idea, but as far as I understand it, it didn't really catch on. Traditional ways of doing things tended to stick. In many non-U.S. embassies, as you know, in European embassies, they have a chancellery section doing both economic and political work. Then they'd have a specialist from the ministry of economics who reports up a separate chain, somewhat the way FCS (Foreign Commercial Service) is today. But Larry wanted us to go out and talk not only to the ambassadors about new structures but also to the secretaries, and junior officers. That understandably made ambassadors a little nervous.

Q: [Laughter]

LLOYD: We were often debriefed by the ambassador at the end. "Now what did you find? What did you find out?" He didn't much like the idea of strangers coming into his embassy, talking to his junior officers and to the secretarial staff, and then going back to talk to the under secretary for Management. But I don't think there were any particular surprises. I went to several countries in Latin America, an area that I'd never worked on before. I went to Peru, Bolivia, Panama, Mexico, and a couple of other places. I don't think the idea caught on particularly well, although I think it was a good one.

Q: Did you touch on the extremely sensitive issue of other departmental, speaking about Defense, Commerce, FBI (Federal Bureau of Investigation), FAA (Federal Aviation Administration), and all, Personnel and Resources on embassies because, I mean, this began to proliferate about that time.

LLOYD: It did! It had not gotten in the late seventies to the point where it has more recently. Increasingly the State Department contingent at a post was a small, embattled remnant. It was interesting to move back and forth between Washington and Foreign Service posts to see the Department think of the embassy as sort of a State Department outpost. Then when you get to the embassy you realized that the State Department is about 20 percent of the embassy and 20 percent are the ambassador's concerns. His

concerns were on the military side, on assistance problems, on economic problems. The ambassadors don't see their responsibilities as restricted to the State Department side of the house, although the Department may think otherwise.

I think that there was some talk of trying to control the foreign affairs budget, the infamous "150 account," but with little success. I don't think that anybody held out much hope that the budgets of other agencies would ever be controlled by the State Department. I think that had Eagleburger even with his political access in the State Department wanted to take that on through FBI, and Defense, and other agencies, the issue would have been quickly escalated into much higher levels to the point where the secretary of State would have said, "I have other policy issues to resolve with those agencies, and I'm not going to use up my political capital on these questions." It's a perennial problem. I think we simply acknowledged that there were inefficiencies out there.

I do remember being interested in one post in Latin America. I think it was Lima. The AID director told me that he had to have a separate AID administrative agency because his people wouldn't put up with the kind of conditions that the State Department people would put up with. He felt that his people were accustomed to a higher standard, therefore he would like to have his own GSO (General Services Officer) to handle those things.

Q: Did you ever look at AID? AID being under the Department of State, one of the things that has struck me is what a heavy overhead, or whatever you want to call it? In other words, AID comes into a country, and a considerable amount of the money that's supposedly allocated to help the poor or the starving of "Country A" is really paid for administrative AID staff, Americans.

LLOYD: Well, it's paid not only for the administrative AID staff; it's also paid for analysis, and I'll come to that later when we come to talk about Egypt, which, as you know, has the largest AID program on the ground with the second largest budget. The Egyptians complained that the U.S. would analyze an issue to pieces and hire a lot of expensive American analysts to spend months doing a study of the country and of a particular problem.

I remember in Morocco we had range management specialists that we were hiring. Well, they were basically Arabic-speaking cowboys, a very scarce commodity. You know, you just don't find a lot of those around. But range management specialists hired by AID would come out and do a study of the Moroccan countryside and of their cattle raising and sheep raising competence, and then make recommendations. But a big part of the AID budget allocated, let's say to cattle and sheep raising, would go to the study. The Moroccans often when they looked at the figures said, "Well, it's your money, and you're spending it, so we really can't complain."

But the Egyptians did complain. They told me that they, too, had economists, people who could do this work, and they could do it for much less, and they could do it in English.

They were concerned that so much AID money was being spent for U.S. experts.

Of course from a political point of view, it's very important on the Hill to be able to say that of the 10 million dollars that's going to "Country X," much of it is spent in America. It helps you get the 10 million dollars to be able to say that it's for American analysts, it's for American employees, and it's for American products. So the Detroit-made car that doesn't fit through the gate of the city is sent nonetheless to the city where you're assigned.

Q: Yes. When you were dealing with Management did you begin to feel? This is '75 to '77. This is when Nixon left, and Ford came in. Did you get any feel within the Department that there wasn't anybody at the helm, or it was more difficult?

LLOYD: Well, until early '77, most of the time that I was in M/MO, that Henry Kissinger was secretary of State. Things were happening but without a great deal of reference to the rank and file in the Department. I think a lot was happening. Win Lord [Winston Lord] was the director of Policy Planning at that time. Eagleburger for a while kept his job in S, as well as the job as deputy under secretary for Management, and from time to time was involved in and international political issues related more to S than to M (Under Secretary for Management). With the election in '76 and Carter's arrival in the White House, I don't think in Management there was a tremendous change. The Department moves with its own momentum, particularly in the area of positions and numbers and budgets and that sort of thing. Of course, already, the budget for that year was long since decided. By early 1977, when the new administration came in, the Department was well along on the FY 1978 budget.

I found it very instructive to work on budgets. I saw how the Department's budget was then put together, in an adversarial process involving first the Department's Budget Office and then OMB. The bureaus would be called on to make a case to the central budget office within the Department. Then the Department makes a presentation to OMB. All of that takes place during the summer and fall. By the end of the year, OMB has squeezed these numbers down, and is working by November or December on the president's budget, which is presented to Congress, as you know, in February. There is a lot of power in the budget process. These budgets are often driven by congressional relationships. John Thomas was particularly good about managing his relationships with the Hill. But none can possibly match the work of Frances Knight.

Q: It is!

LLOYD: I remember being told that she, Frances Knight, director of the Passport Office for, 20-25 years, would put out word early in the year that she was so short staffed and had been given so few resources from these ogres in the Department of State that anybody who wanted a passport for that year probably wasn't going to get unless they wrote to their congressman. Well, what happened was that everyone, of course, wrote to their congressman. She had plenty of staff, and the passports were produced in an efficient manner and delivered to the congressman's office, who sent them on to the

constituent. The constituent was pleased; the congressman was pleased, and the loser was the Department of State! This may be apocryphal, but that was the story that was being passed around.

Q: Did you find that when you were looking around the general feeling was, "Don't touch the Passport Office!"

LLOYD: Absolutely!

Q: "Just stay away from-"

LLOYD: Absolutely! That was a guarded territory that was not to be touched. It was really outside any of the cutting that was done of positions. I believe that Frances Knight finally retired during Eagleburger's period. I think that that was finally done sometime in the mid-seventies.

Q: Yes, I'm not sure exactly when, but I know she and Barbara Watson, the head of Consular Affairs…I mean Barbara Watson was a very powerful woman in her own light, but she couldn't get anywhere with Frances Knight, in fact, essentially couldn't even go over to the Passport Office or wouldn't after her treatment there.

LLOYD: Yes, yes. That was an extraordinary arrangement to have the assistant secretary for Consular Affairs unable to control an office director, and who was very well plugged in on Capitol Hill, and knew it, and everyone else knew it!

Q: Yes. You were there when the Carter administration came in?

LLOYD: Ah, yes, for a few months.

Q: You already mentioned you weren't overly affected, but I'm always interested, this transition period when the new administration comes in. What was your impression?

LLOYD: Well, we were involved in producing voluminous briefing papers on every imaginable Management topic that was to be presented to the new administration. I don't think a lot of thought was really given to brevity. But I do recall just the volume of the transition books. The process was not particularly efficient, I don't think. By the time the secretary came in, and it was-

Q: Cyrus Vance.

LLOYD: He resigned in early '80, in April of '80, with the raid on Iran.

Q: Yes, yes.

LLOYD: So when he came there were some changes but not a great many. Dick Moose became the deputy under secretary for Management for a while, and then later moved to

AF. I think that the idea of the Priorities Policy Group continued for awhile, and I believe it has continued off and on to this day to try to make some effort to link resources and policy. But it's a hard sell.

Q: Yes. Well then, in '77 whither?

LLOYD: In '77 I was assigned to the Senior Seminar for a year, mid '77 to mid '78, which many others of your interviewees have, I'm sure, described their experiences. It was an eye-opening event for all of us really. There were 25 or 26 people in the seminar. There was one woman, an intelligence analyst from CIA. About half the group was State; the other half were military, Treasury, USIA, AID, and CIA.

Q: Yes.

LLOYD: This was the Twentieth Seminar. We had a very cohesive group and have been in touch since then from time to time. We took trips around the country. Chris Van Hollen was the director of the seminar. He had been ambassador to Sri Lanka just before, and did a very good job in managing it. We were able to look at things that many of us hadn't had a chance to look at ever, to meet with AFL-CIO President George Meany, to consider issues such as urbanization, crime, the American farm, etc. Many of us had been out of the U.S. for much of the preceding decades, and were eager to see more of the USA. One of the first trips that we took was to Chicago where we were divided up one evening at about 9 P.M. into six or eight groups and put in the back of police cruisers for a night. We were told to keep our mouths shut and to do as we were told and to watch what was going on. I must say it was extraordinary that the Chicago police were willing to do that.

Q: Yes, yes.

LLOYD: So there would be a call, and we were either allowed to come with them or not or told to sit in the cruiser. Running to one of the upper floors of the tenements in Chicago of the Cabrini Green-

Q: Which is an infamous housing-

LLOYD: Infamous housing high-rise projects in Chicago. Going up there I found it very impressive. There was a fight going on. Everybody was drunk; everybody was angry. The police were young men, very well trained. They got in there. There had been a report of a gunshot. There were fewer guns in 1977 than there are today. The two policemen got up there. I was told to stand in the corridor. They figured out it was a domestic dispute. No one wanted to press charges. One of the men wanted to take on one of the cops. The police pulled out immediately. Afterwards in talking about it, the policeman said, "You know, we can't let anyone touch this badge. We mustn't let anyone take a swing at us, because then we have to take him in, and then it just clogs up the system. Some kid who's drunk hits a policeman. He gets arrested, and we're tied up, and we know we can't do our job!" So this young man in particular was eager to take on the cop, and the policeman

wouldn't play that game. It was impressive and educational. I think others in the seminar had similar experiences.

We spent two days on a pig farm in Iowa. We went to San Francisco. We met with Mayor, now Senator, Feinstein. We talked to the gay and lesbian community in San Francisco. We went to Albuquerque, New Mexico, where we saw wind-driven generators. We went to Lawrence Livermore Laboratories outside San Francisco. We also went on a foreign trip. We only had a certain amount of money, but through a travel agent and by doubling up on the sleeping accommodations in less expensive hotels and through good management by Chris van Hollen, we had a wonderful trip. In Brussels General Haig (later Secretary Haig) briefed us, in Poland where we met with the embassy. We also went to Moscow, Saint Petersburg, and Kiev. I gather that foreign trips for the Senior Seminar had been few and far between.

Q: Yes, yes. I was in the Seventeenth Seminar, and we didn't go abroad.

LLOYD: It was a very interesting year, and a time of a lot of change in America. A lot of us had been out of the country for many years and, of course, brought different experiences from different parts of the world. The military people were very warmly welcomed by the State Department's side and were appreciative of that. Some of them told me later that they had heard that this was not a happy experience for military people. They were often kept on the outside by the State Department people in particular, who had their own sort of insider games and so on. But this was a very cohesive group, and I think we all got a lot out of it.
Q: Well, then in '78, where'd you go?

LLOYD: I became deputy director of Canadian Affairs in the State Department (EUR/CAN), went on to be director of Canadian Affairs, and in all spent four years working on Canada.

Q: So it would be '78 to '82?

LLOYD: Yes, '78 to '82.

Q: Okay. Let's just talk about…you covered two administrations, the Carter and then the Reagan administration. When you arrived in '78 what was the state of American United States' relations with Canada?

LLOYD: Well, I think the historical relationship is far more positive than people believe. That was a time of nervousness about Rene Lévesque, who was prime minister of the province of Quebec and was talking about separation of Quebec and bringing Quebec out of Canada as an independent country. That was probably the most important issue that was on the negative side of the ledger. There were many, many on the positive side of the ledger, military cooperation at every level, the North American Air Defense Command (NORAD) in Colorado Springs, which had various constituent groups linking the American and Canadian military.

Q: Yes. For example, the entire air defense of the United States and Canada were controlled by a deputy who happened to be a Canadian military Officer.

LLOYD: Exactly, in what they called "the mountain" at NORAD, which is a very impressive place. The U.S. and Canada cooperate in dozens of ways that never come to the attention of the State Department. I often likened the job of director of the office of Canadian Affairs to about the life of a doctor, who comes home, and his wife says, "How was your day?" He says, "Well, everybody is sick out there!" Indeed the same was true because only the problems were addressed at the government level. We were often unaware of the positive stories of the communities on both sides of the forty-ninth parallel. For example, a fire department on the Canadian side would routinely come down to the U.S. to fight a fire because it was closer to where the fire was, and vice versa. There were areas where children in America would go to a Canadian school or Canadians would go to an American school because that was the nearest school. The communities in both countries found local ways to solve local problems.

Q: Yes.

LLOYD: There was a lot of competition and friction in a number of areas, particularly with the Republican administration, with Ronald Reagan coming in. You can imagine the view of the incoming American president of the trendy hippy, a fresh rose in his lapel, across the table. Each I think had a very dim view of the other. There was competition in investment. A great many American companies invested in Canada. The Canadians were not happy about what they called the branch plant mentality that American companies would adopt. There was competition in trade. There was competition in culture and publishing, fishing, and in energy.

Q: Yes.

LLOYD: In the first of these, investment, the Canadians devised something called the Foreign Investment Review Act [FIRA], was a Canadian law that required that the Canadian government approve any investment by an American company in Canada. This had the effect of restricting American investment. When we complained the Canadians would say, "How would you like it if some other country owned your resources, owned your oil, was in charge of the mining in your country?" So a lot of American companies were caught by FIRA. They complained to the State Department and to other parts of the U.S. government in an effort to get the Canadians to be more flexible with the approval process.

In trade the U.S. and Canadian governments had negotiated in 1965 something called the Auto Pact, which covered all trade in new automobiles and parts between the two countries. That was a precursor of what is now called NAFTA (North American Free Trade Agreement), which includes the U.S., Canada, and Mexico, and may one day be extended into a free trade area of the Americas. That worked very well. The Auto Pact worked extremely well.

But there was competition in many, many areas on both sides of the lines. Many companies which were employers in both Canada and the U.S. were accused of firing employees in one country where the prices might be high and taking on employees in the other, leading to frictions there.

I think in the cultural area was perhaps one of the most interesting areas of competition. The Canadian newspapers, TV (television), radio, and magazines are not particularly interesting. McLean's Magazine is no match for Time, particularly for a Time edition specially configured for Canada. During this period in the late seventies and early eighties the American publishers would run ads directed at Canadians. Canadian companies would advertise in Time magazine knowing that Time Magazine was coming into Canada. The ad would be more likely to be seen in Time than it would be in McLean's or in one of the Canadian magazines. The Canadians instituted some trade controls which prohibited the deduction as a business expense of money spent by a Canadian company in advertising in foreign media. The U.S. considered this to be unfair and objected to it. This had to do with television and with other media coming into Canada. There were a number of trade complaint actions at that time.

Q: You know, sitting on the desk, was there anything you could do about these things except to note them?

LLOYD: Well, we would, of course, be on the receiving end of complaints from the U.S., from U.S. publishers. We considered the Canadians to be highly protectionist and acting not in the spirit of a long-term relationship. They would throw back in our faces, "Well, how would you like it if," and then as I mentioned before, "your oil resources were owned by foreigners?"

Q: All right. I'm just trying to catch the attitude. I've heard people who've dealt with Canada saying, "You know, you really are talking about, at that level, a nation of whiners."

LLOYD: Well, they did and do feel overpowered by the U.S. I found I expanded my own understanding a great deal in the four years I worked on Canada. I remember when I was being considered for the job, I said, "Oh, couldn't I work on a foreign country?" That's just the sort of attitude that infuriates Canadians. I, of course, wouldn't say it even then to a Canadian, but there's something about talking to someone in a language that's not your first language that makes you think, "Boy! Am I in a foreign culture! Is this ever different!" But talking to a person who looks and talks like you, whose accent might be only slightly different from yours, it's very easy to say, "Why doesn't he think like me?" That's just what the Canadians find so irritating about Americans. One fellow I worked for, Dick Vine, who was a deputy assistant secretary when I first came into the job, said, "Treat them like foreigners. Remind them that you consider them to be foreigners, and you'll find it much easier to get along with the Canadians."

Q: Yes, yes. Well, I'm also told that in negotiating with the Canadians that you'd better

keep your hand on your wallet the whole time, that they play "poor little us" and, you know, "what's it like going to bed with an elephant?" and all that sort of stuff. At the very end while we try to be maybe accommodating, they kept their eye on what they wanted to get.

LLOYD: Well, I think the Canadians felt that we had room to be accommodating, and they were very close to a tenth the size of our country in terms aggregate GNP, population, and so on. I think they felt that accommodations should be made by the United States given that ten to one disparity.

In other areas of competition, I learned a lot about fish while I was working on Canada. I learned a lot about boundary waters, about George's Bank off the coast of the Maritime Provinces. I learned a lot about energy. Attitudes in Canada, I think, then as now, were that the Americans had designs on Canada's energy resources. There were bumper stickers in Canada during the second oil crisis in '78 that said, "Burn gas. Freeze a Yankee!"

Q: Yes.

LLOYD: And a lot of Canadian jingoism, nationalism at that time. We had endless negotiations in all of these fields, on fish, on oil, on gas, coastal issues, and so on.

Q: How about acid rain?

LLOYD: Acid rain…the environment in the early eighties was becoming an increasingly serious concern. The Canadians brought to us evidence of lakes that had been killed by acid rain, coming generally from the Detroit area.

Yes, because the wind in that area generally blows from west to east and south to north. However, they had found there was evidence that many of those lakes had died years before the industrial revolution, that there were natural sources of acid in groundwater running into the lakes. I think there's no question that the United States was the bigger polluter.

One of the issues we worked on in the environmental had to do with retrofitting air pollution equipment on smelters in Ontario. The Canadians saw no reason to have to put a "bag house," as it was called, and other air pollution equipment on a smelter because it was the only one in a large area. They said that the aggregate of their pollution unchecked was nowhere near as much as our pollution. Well, I remember pointing out to them that the plume from that smelter could be seen from Americans in orbit around the earth at that time. You could see a downwind plume that was very ugly from 90 miles up.

Q: Yes.

LLOYD: The U.S. asked that the Canadians make the same effort that the Americans were being asked to make. But there's a cost in environmental protection. The newly

arrived Republican White House and OMB were quick to point out that if the Americans were obliged to put in environmental safeguards, this would increase their costs. Given the low tariffs between the U.S. and Canada at that time, there would be no doubt there would be a net trade advantage to the Canadians if they did not have to put in similar environmental safeguards. We went around and around on this. The outcome I don't think was a happy one for either side.

Q: What about Prime Minister t Trudeau? I would think his style and all would be such to tweak the United States, particularly in foreign affairs. Trudeau did not play a role of just being prime minister of Canada. He wanted to play a fairly large role on the world scene.

LLOYD: Yes, I went with President Reagan on his first foreign trip, which was to Ottawa in March of 1981. The Reagan team was just getting started with Baker, Meese and Deaver, Zoellick, Darman, and others who were later and continued to be in the public eye.

Reagan and Trudeau came to these issues from very different points of view. Trudeau was articulate, bright, trained in Canada, the UK (United Kingdom) and in Paris. He would effortlessly switch in a speech to the House of Commons in Ottawa from French to English and back again, paragraph after paragraph, without slowing his presentation. He was far more European than he was North American. I mentioned the fresh rose in the buttonhole every day. He was able to draw on the very best of the Canadian bureaucracy and very talented people. He did see himself as having an outlook that went beyond Canada. Certainly Canada's relationship with Cuba had been an irritation and continued to be an irritation.

Q: It strikes me sometimes as it continues to be sort of the one place that's always there for the Canadian prime minister to say, "See! I'm not the lackey of the United States." The Mexicans do the same thing.

LLOYD: Their embassy people were first-rate down here. There was an economic minister that I spent a lot of time dealing with, who, as I got to know him better, told me that in his youth he was really an outstanding hockey player. In Canada you have to be really good, and really aggressive, to be an outstanding hockey player. In fact, he wondered whether as a career he would become a hockey player or a diplomat. I remember asking him if he'd made his mind up yet-

Q: [Laughter]

LLOYD: …because he was a very strong adversary indeed as a diplomat!
Q: How did you find the Canadian embassy? Did they know how to play Congress and the media?

LLOYD: Yes, they certainly did. They were very competent. They made an effort to get to know the Congress. They sent ambassadors here who were comfortable in dealing with

members of Congress, who while being senior civil servants were comfortable on the Hill. Of course, every Canadian knows a great deal about the United States. If you go out in the street and ask people in America whether Calgary is a province or a city, nine out of ten will not be able to answer either way. Every Canadian knows far more about the U.S. than we know about Canada. The result is they know in detail what's going on. During the time that I was working on Canada, they moved their embassy from Massachusetts Avenue down to Pennsylvania Avenue opposite the National Gallery of Art. I remember teasing them at that time that they did it so that they could get to the Hill faster than the State Department could, and I think they could. They were very effective there.

Q: Yes.

LLOYD: The ambassadors developed very good relationships with many members of Congress. There were exchanges of parliamentarians that went back and forth, particularly in the border states. That was an important issue.

Q: Let's talk about how we viewed the Quebec issue at that time.

LLOYD: It was essentially a hands-off for the Americans. It was obviously an internal Canadian issue, but there was no question that we were leaning in favor of Ottawa's position: that there should be no separation.

The Quebec issue then, as now, is a question of a beleaguered French-speaking, Catholic minority that had been left behind by time when the British took over Canada. The French people who could leave in the latter part of the eighteenth century did leave and took their capital with them, leaving, as has been written, an impoverished peasantry in the hands of the church. The Quebec issue was one that there was an important referendum in 1979 in which the separatists led by Rene Lévesque lost, but only by a couple of points. It was not as close as the one about five years ago, but it was nonetheless very close indeed. We had a consulate in Quebec City and one in Montreal. We observed from the outside. It was a very, very difficult issue, the divisions within Canadian society between Francophone and Anglophone. I heard Anglocanadians joking about the funny accents that the francophone Quebecers had, and how they were unable to speak English. They didn't really consider them to be full-fledged Canadians.

There were class distinctions within the Quebec society where the upper, upper levels of that society, like Trudeau and like succeeding prime ministers, were able to move back and forth between the two cultures. But for those who were embedded in French culture, they were in a very unfriendly atmosphere indeed. There were stories of upper class francophone women who wouldn't come to town because their English wasn't good enough to shop. They would go into a store, and an Anglophone shopkeeper would tease the French speaker that she couldn't ask for what she wanted. So there's an anger there between these two. It's been written about a great deal in Canadian literature. Two Solitudes was the name of a famous book in the sixties on these two cultures coexisting yet not really communicating with each other.

The Canadian Foreign Service and the Canadian bureaucracy were intensively bilingual. I don't think that the Anglophone people spoke terribly good French, but they passed the test and could work more or less in French. They had primarily Anglophones in the embassy here, but occasionally there was a senior person, once the DCM, once the admin fellow, who was a Francophone. There was a real effort to mix the two.
Q: Yes. I would imagine the issue being so touchy because anything that we talked about in the State Department about Canada, if it got to Canada, it gets played up. Our Oral History Program, we made a reader it and the old people talking about Canada rather frankly who'd served in Canada. One of the equivalent of AP (Associated Press), or the news agency, somebody got a hold of this perfectly all right, and it was front-page stuff! "American diplomats speak frankly about Canada in saying, you know, we suffer from an inferiority complex." Well, you know, I mean it's not exactly what I would consider earth-shaking news.

LLOYD: No, no.

Q: But I was thinking of the particular one, of doing this study, "What would happen if Quebec became independent?" I mean any normal country has to draft up a policy planning paper or something.

LLOYD: Yes. Sure.

Q: Well, I imagine you couldn't do that!

LLOYD: Well, I think that certainly there was a lot of thought. I don't recall. I guess there was a document. There must have been a document of some kind, some sort of a contingency paper.

Q: Yes.

LLOYD: I think that Canada was not going to split up overnight.

Q: No.

LLOYD: We could see it happening with a referendum. I think that the '79 referendum could have gone either way. I don't think very many Americans really believed that Quebec would split off. Given our support for the federal government and given the federal government in Ottawa's position on Quebec's sovereignty, the U.S., while nominally non-partisan, as I mentioned before, was certainly leaning in that direction.

This was a very complicated issue, and one that was very painful for the Canadians. There are so many stresses in Canadian society. The West feels beleaguered and left out. The Maritimes are impoverished. There's a famous drawing in the 1930s of a cow superimposed on a map of Canada in which the cow is eating in the West, is being milked in Ontario, and, as they put it, what's left over is falling on the Maritimes!

Q: Yes.

LLOYD: That's the way many Canadians perceive it. In the West they perceive the Quebec problem as an Eastern problem, as an Ontario-Quebec problem, and it has nothing to do with them. I remember reading or hearing of people in British Columbia complaining, "Why should there be French language on my corn flakes?" and "This is not my problem. Let me live!" They felt much closer to Americans in Washington State, Idaho, and Montana than certainly they did to people in eastern Canada.

Q: At that time, were the Canadians heading down towards California or towards Florida during the winter?

LLOYD: Yes, in Florida particularly. The Toronto Globe & Mail, which is the premier daily in Ontario, was sent down in bulk. It was certainly for sale in many Florida cities. There were many, many Canadians that went down there to avoid the Canadian winter, which is a formidable thing as you can imagine.

The North-South relationships, I think this has been one of the great fears that Canada has of the breakup of Canada. They see this as a fragile confederation, and one where Maine and New Brunswick have much more in common than New Brunswick has with British Columbia, and so on across the whole line. There have been novels written in which American president calls up and says, "I'm terribly sorry, but we're taking over your country! We need the energy. There's a crisis with the Soviets! We just simply can't afford this bickering. We have paratroopers arriving this afternoon, and be a good fellow, and don't fight! We don't want to have any bloodshed!" The Canadians read these things avidly. While it's marked "fiction," in the back of their minds they say, "My God, it's the future!"

Q: Yes [laughter]! Well, during this four-year period, were there any great crises?

LLOYD: Well, there's one I'd like to talk about. Then I'd like to put a personal note in.

Q: Yes.

LLOYD: As you recall, in November of 1979, the American embassy in Tehran was taken over.

Q: November of '79, yes.

LLOYD: Until January of '81.

Q: Yes.

LLOYD: Right. In November of '79, the American embassy in Tehran was taken over. This was a very traumatic event, of course, for all Americans at that time. As the embassy

was entered from the front and finally breached and people were taken out (the famous pictures of people in blindfolds and so on), a group of six Americans (and I don't know whether they were in the consular office or in another office of the embassy) got out a back door, got out on the street, went to the home of a Canadian family, knocked at the door, and were hidden by that Canadian family. The fact of their being there was known by very few people in the State Department. I remember a meeting between the Canadian Ambassador and either the Secretary or the Deputy Secretary. We referred to them as the "houseguests," names were never used, and the houseguests were never fully defined. But it was an extraordinary moment of courage and solidarity by Canadians at tremendous personal risk to their families. They told the Iranian servants that due to the unsettled conditions in the streets it was best if they not come for a few days. So the servants were kept out. The Americans were protected and hidden. Over time, with coordination between the consular people in the U.S. and in Canada, Canadian passports were made for those Americans who were hidden. They increased the number of Canadians coming in and out until there were such a large number it was very difficult to keep track of them. Then they began to draw down the Canadian embassy. Five would come in and eight would come out. They would repeat this until finally they got all the Americans out this way with Canadian passports. The Canadian chargé, Ken Taylor, who was later Consul General in New York, was the last person there! He put a chain and a padlock on the front door of the Canadian embassy, took a taxi to the airport, and that was it. But that was an extraordinary example of courage!

Q: Yes. I mean there were all sorts of very positive demonstrations when the news came out-

LLOYD: Yes, indeed. In the Department-

Q: …in Congress, baseball games, you know, what have you!

LLOYD: Now this was an extraordinary event! I think the fact that it was held, I think that everyone knew it couldn't be held for long, and that if it ever got out, it would simply mean that those Canadians would be interned along with the Americans. That would be the best outcome that we could hope for!

Q: Yes.

LLOYD: So the U.S. and Canada moved very quickly to get Canadian passports made and to get those people out. I don't remember all the details, but there were a number of things done to try to throw people off the trail and to keep it quiet.

I'd like to mention one other event that took place during this period. During the time I was working on Canada, I was called by the director general's office to ask if I'd like to put my hat in the ring for a job as a chief of mission. I said, "Well, why not!" and so I did. In April of 1980 Ben Read, then deputy under secretary for Management, called me at home on a Saturday morning to say that I had become the Department's choice to became Ambassador Guinea (Conakry). Read said that the proposal had the backing of

Dick Moose, who was then assistant secretary for African Affairs, and of the Seventh Floor.

This was a seminal moment in my career. There was an ambassadorship before me. My wife, at that point, had just begun work on a master's degree in social work. We knew from our experience in Douala what it would be like in Guinea. I called Parker Borg, with whom I had served in the Secretariat and who later become Ambassador to Iceland. He had served in Conakry a few years earlier and was generally upbeat on the job. It was the classic confrontation between family and job. At that point we had four children in school and college in the U.S. Quite apart from her academic plans, because of the children it was unlikely that my wife would able to spend a great deal of time in Conakry. If I went alone I would leave four children aged 12 to 22 and my wife.
It was a very difficult decision, but I did what I thought was best at the time. With the passing years, I sometimes regret that decision, but I believe that I did the right thing.

Q: Well, this is a good place to stop. We'll pick this up in 1982.

LLOYD: Nineteen eighty-two. At that time I went to NEA to be director of Egyptian Affairs. The Canadian ambassador asked me, "What was the link between Egypt and Canada?"

I said, "It's very simple, that expertise in northward flowing rivers. Both the Mackenzie and the Nile flow north."

Q: What was the state of relations with Egypt in 1982?

LLOYD: Well, in the late spring and summer of 1982, Egypt domestically was recovering from the assassination of Sadat the previous October. The Middle East was destabilized by the Israeli invasion of Lebanon.

Q: Israeli invasion of Lebanon was '81?

LLOYD: Eighty-one, and they were still there in '82. A great many Egyptians found it difficult to accept that America could not or would not restrain Israel, knowing that the only restraint on Israel was the United States. I remember being taken to task in Cairo and elsewhere by Egyptians who felt it unreasonable that the United States didn't exert more pressure on Israel. The state of our relations with Egypt at that time turned on these political issues related to Israel, other events in the Middle East, other forces in the Middle East, and of course, on aid. In the aftermath of Camp David, the United States had begun to provide both Israel and Egypt very large amounts of aid, which is a course that was set then and remains to this day. Something like 70 percent of our worldwide aid goes to those two countries. Although Israel got the larger share (it was supposed to be equal), the Egyptians always reminded me, nonetheless, whenever Israel's share went up, Egypt's share went up also. So they were quite dependent on that. At that time, in 1982, Roy Atherton was the U.S. ambassador in Cairo, having been assistant secretary in NEA until about a year and a half before. Nick Veliotes was assistant secretary in NEA. Henry

Precht was the DCM in Cairo. Ed Peck, whom you interviewed I know, was my predecessor on the desk. I had known Ed for many years. I called him to tell him that I had been assigned as Director of Egyptian Affairs, he said "Could you come this afternoon?"

This was the period of the "the cold peace" as they called it. There was an Israeli ambassador in Cairo, but there was no Egyptian ambassador in Tel Aviv. This was a matter of great concern for the Israelis who continually pressed the Americans to urge the Egyptians to make good on this Camp David commitment, but the Egyptians for domestic reasons felt they couldn't do that. It eventually took place during the time that I was in NEA/EGY. That relationship was very painful for the Egyptians. There were a great many Israeli tourists in the Sinai, which as you recall was taken by Israel in the '67 war and was given back as a result of the Camp David Accords in a series of slices over several years, the last slices being in '81 and '82.

The relationship was closely linked to American assistance. There was a very large AID mission in Cairo. AID in Washington spent a lot of time concentrating on the Egypt AID mission. They were having great difficulty. We didn't really have a context in order to hand this money around. AID directors who were accustomed to a substantial $20 million AID program were incorporated into this huge AID mission in Cairo, and they might have five times that much to dispense over several years. It didn't work very well. The problem was getting money obligated. For political reasons in the U.S., the United States government tended to study every option until it was very clear what we should do. The Egyptians felt that there were excessive studies, that too much money went for studies and for studies made by American experts when there were perfectly good Egyptian experts.

Q: I'm told that this was a real bonanza to a whole series of universities in the United States where they grew in a way to depend upon sending out study teams and all.

LLOYD: Yes, I think it was a very fertile field for people in Ph.D. programs and postdoctoral programs to spend a year or two in Egypt. It was a very interesting and pleasant place to live, with all the stresses of a city with, I don't know how many people they had, 15 million people for a city built for two million, or some such thing.

Q: Oh!

LLOYD: The AID program didn't work well. A large part of my time was spent working with senior people in AID, including the administrator of AID, in trying to make it work better.

Q: How did you find relations with AID? You know, often AID tends to [say], "We'll do it our way," and particularly if there's a lot of money involved. But did you find that there was pretty good cooperation with the desk?

LLOYD: There had not been. I think Ed Peck had had some difficulties. I had worked

quite happily with AID in earlier jobs. I knew a lot of people there and was aware of their view of State Department people and vice versa. I think that we worked better in Washington than we did in the field at that time. The AID director in Cairo felt that he had a mandate that was different from that of the embassy. He was not in the same building as the embassy, and there was a lot of friction. Liaison with the AID director was usually carried out by the economic counselor, but the AID director felt that he really ought to be dealing only with the ambassador.. So there was a lot of friction, a lot of difficulties.

Q: Who was that?

LLOYD: His name was Michael Stone. He died a few years ago.

Q: What was his background?

LLOYD: He was a Californian in the wine business, and who was a contributor, I suppose. I liked him a lot, and we worked very cooperatively together.

Q: Well, we're talking about it. This is Ronald Reagan administration.

LLOYD: Yes, it was the early Reagan administration.

Q: It was someone from California. This is rather unusual to have a political appointee run an AID mission, isn't it?

LLOYD: Well, we had one in Morocco in the 1960s. I think the job was considered, given the size of the AID mission - I think there were maybe 300 employees there - bigger than most embassies. It was probably an assignment certainly of the same level of difficulty and the same importance as a great many small embassies in the developing world. It was a huge challenge. The culture, the language, the history, all of those things sort of were in play at all times when we were dealing with the Egyptians.

One of the recurring themes in our AID relationship with Egypt had to do with whether or not the United States should press for policy change in return for handing out money. The United States felt that Egypt was not following the right policies with respect to pricing energy and food. The Egyptians felt that if they didn't keep bread at the one penny per loaf level, which basically meant that a working man with even a few hours work in a day could buy enough food to feed a family of four or five, in bread anyway. If they didn't keep that low, there would be riots. There had been riots a couple of years earlier in '79. Efforts were made to try to get them to bring up that price. That was a constant source of friction.

At the same time, Egypt provided virtually free energy. A certain amount of electricity, the first slice, was absolutely free so that every village, every house could have at least a couple of bulbs and lights. So this was very important. But there again, it wasn't priced commercially.

The Delta, the lower Nile, had been the breadbasket of the Middle East for many years, but through these pricing policies people gave up raising wheat and moved to Cairo to try to get a job. This created huge population pressures and great difficulties for Egypt.

We tried, and in some cases we were successful, in bringing together other donors. Working with the French, the British, the World Bank, and some others, we tried to sort of concert our efforts to bring about policy change in Egypt. But Egypt, as you can imagine, has a very deep sense of history. They look back at other Western combinations against them, and at how the Suez Canal was taken from them in the 1870s and 1880s. They were very resistant to the idea of a donors' consortium that would meet with them and try to pressure them to bring about fundamental economic policy changes.

A large part of the economy was still in the Soviet era, which really ended after the Yom Kippur War in '73. The economy was still in state hands. The U.S. pressed Egypt as well to seek foreign investment, to try to broaden the economy, and reduce the amount of state participation in the economy. In later years I was interested to see that Egyptians did this. They turned to Libya, which had a lot of cash to invest in their infrastructure. That gave fits to the American government, which was then forced to say, "Well, we didn't really mean Libya. Why don't you pick some other foreign investor?"

I found it very easy to work with the Egyptians here in Washington. They were a personable group, and they sent their very best to Washington, as you could imagine. The ambassador at that time was a man name Ashraf Ghorbal, who had been a press advisor to Sadat. When U.S.-Egyptian relations began to improve (after the break in relations in 1967), Ghorbal was sent as the head of the Egyptian interests section in Washington. He later was named ambassador. He was very sensitive to the American political process and very successful in working with members of the House and the Senate. He encouraged them to visit Egypt and was very closely in touch with them. He was aware of the fact and labored under the burden of the fact that the American Jewish community was always going to exert greater pressure on the American government than could Egypt or interests allied with Egypt. While this was something that he didn't like, it something that he understood. But he didn't simply rail at the State Department saying, "Change the facts! Change the realities!" He realized those realities were there. He was a pleasure to work with, and the people on his staff were easy to work with as a result.

Q: Well, I would think in one way there would be sort of a peculiar relationship. The more the Jewish community pushed on Congress to give more money to Israel, the more money Egypt got.

LLOYD: That's right.

Q: So that you could almost sit back and-

LLOYD: That's right. That would happen, but at the same time, Egypt was always behind. I remember Ghorbal reminding me, that it was supposed to be even. "Bear in

mind that we're falling behind, and we think this gap will be made up. We've been given assurances that the gap will be made up one day." We simply sort of took that on board.

Q: Well, when you strip away almost everything, what we were doing to Egypt was a payoff for them to stay at peace with Israel, wasn't it?

LLOYD: Exactly. There was no doubt about that. Egypt received a lot of attention from the American government. It was interesting for me as a professional in the Department to see the attention given to a country that was really in the forefront of the minds of American leaders given the war in Lebanon and the volatility of relations with the Middle East. While very important, relations with Canada were not a matter of war and peace. I remember one day, one Friday afternoon at about 6 pm as we were winding down, I received a phone call from Ambassador Ghorbal saying he had a message from President Mubarak for Secretary Shultz. I said I would call to see when an appointment could be arranged. I was told by the secretary's office, "Well, he could come in at nine tomorrow or at ten, or eleven, whichever would be best for the ambassador." Now you don't get that sort of attention from the seventh floor in other relationships.

Q: No.

LLOYD: But I think it underscored for me how important this relationship was and remains today. Egypt historically has seen itself as the linchpin of the Middle East and as the country that others have to get along with. At that time the Egyptians were having great difficulty in getting along with the other Arabs. Sadat had gotten into a shouting match with the Saudis. He called the Saudis "a band of dwarfs sitting on a pile of gold." That didn't sit very well with the Saudis. While they had formal relations I think at that time, they were frosty. The Egyptians were the odd man out having made peace with Israel.

Q: What was the reading you got when you arrived on the desk from your colleagues and all about both the personality and the effectiveness of Mubarak? He was fairly new on the scene then.

LLOYD: Right. Well, he'd been vice president for some time. He was an air force officer who had been elevated to the vice presidency sometime in the seventies. I think that he was seen as a very different person from Sadat, who was widely castigated in Egypt (I don't think very many Americans were aware of it) for "a Pharaoh complex." He kept building beautiful buildings and palaces and rest houses and that sort of thing, which many Egyptians felt were improper for the president of a so-called democracy.

When Mubarak moved from the vice presidency to the presidency there were a number of political experts and handlers around him. One in particular was a man named Osama El Baz, who was a very savvy operative, who knew a lot of Americans, and whose brother was a professor at MIT (Massachusetts Institute of Technology); he knew the United States well. Mubarak was well served by these people because there are a lot of cultural differences. Too often, I think, Arab leaders either give up on the United States because

of the effect of the Jewish lobbying on the American government, or they become angered by it. I think Mubarak saw with Ghorbal's advice that this was something he had to work with and he had to deal with.

I think that Roy Atherton had very cordial relations with him. I don't have any sense of the relationship at the White House level that Mubarak had. I think that always overhanging the relationship was "what will you tell APAC (American-Israeli Public Affairs Committee)? They have to be briefed." I remember once the Egyptian Prime Minister visited Washington He was seen, of course, by the secretary, and he asked for a few minutes with the president.

He was told, "No, of course not. He's just a prime minister. He's not the president." Mubarak had the power. Finally, after a great deal of cajoling, and so on, he was told yes, he would get one minute in the Oval Office, and that he would be able to shake the hand of President Reagan and have his picture taken. So that was all arranged.

Then a decision was made in the White House that he would not be allowed to sit down. And who of course would deliver the message to the Egyptian government, but the director of Egyptian Affairs [laughing], that "the prime minister will see the president, but he will not be allowed to sit down while he sees the president." I had visions of the director of Egyptian Affairs on all fours while this tank commander of a prime minister sat on me while he was talking to the president so he could say he was sitting.

I was there. The Prime Minister went from the Roosevelt Room to enter the Oval Office, and I was there to escort him in, and was told to come on in to the office. The president cordially, cheerfully said, "Sit down Mr. Prime Minister. What a pleasure to see you!"

Q: [Laughter]

LLOYD: Well, I'd spent probably a week working on that bloody chair! He was pleased, the president talked to him for a few minutes, the conversation was cordial, and it was brief. But there was no reason for the White House operatives to insult them by saying, "He mustn't sit."

Q: Well, this is an interesting thing. I wonder if you could characterize? In the first place you were on the desk from '82 to?

LLOYD: Only for about 18 months, '82 to '83.

Q: Okay. The Reagan Security Council White House is a peculiar thing during that period. Was there an overall direction, somebody calling the shots at the White House? Or did this seem to be…I mean, were there various personalities, times of day, or anything like that?

LLOYD: There were a lot of different power centers was my impression both from the Canadian optic and from the Egyptian optic. Early on there was the troika of Baker,

Meese, and Deaver were all there, and then Richard Allen was the National Security advisor at the outset. They were jockeying for power, really all the time. Either one of the troika or Allen would be involved in all of these. It seemed to me it was difficult to get a clear reading. Secretary Shultz came in, in late '81 or thereabouts, replacing General Haig. He was a real giant. I think people knew that in the White House, that here was a man who'd served in two previous cabinet positions and had authority and a stature that certainly matched theirs, and he wasn't going to play games with the White House. So he was very effective where and when he wanted to be. But as you can imagine, as has almost always been the case, the relationships between the NSC staff and the desk and the bureau were constantly changing. There were constant efforts made, I feel, by the White House to intervene in what should properly be State Department activities, but it didn't rise in any way to the level of what had happened under Secretary Rogers and Kissinger, which I'd experienced at first hand in S/S.

Q: Did you have much contact with the Israeli desk? How did that work?

LLOYD: Yes, that was an interesting relationship. The director of Israeli Affairs, Kim Pendleton, I had known before when he was in EUR and I'd been working on Canada. They were a very, very competent group, and we worked by and large pretty well together despite all the stresses and strains that inevitably would accompany a policy which was a zero sum game-a benefit to one side was a disbenefit, to the other side. It was at times a delicate relationship, but by and large, we worked really very well together.

Q: I would have thought that Israel within the State Department was not in the greatest odor, because it had invaded Lebanon, a completely unjustified invasion, and had been brutal, and stirred up all sorts of things. I would have thought that, you know, in the Middle East Bureau…I mean here was our so-called closest ally who'd really created a real mess.

LLOYD: Yes, indeed. Well, this was a period of change in the way the United States handled Israel and the way American Foreign Service officers were assigned to Israel. Twenty years earlier Jewish officers could not be assigned to the Arab world and were generally not assigned to Israel in the belief that there would be unbearable pressures on them. By and large Arabists, Arabic-speaking American Foreign Service officers, were never assigned to Israel, it being accepted that they had probably already made up their minds about the Arab-Israeli relationship.

Well, all of that really changed in the seventies. Nick Veliotes for one, while not an Arabist, served as DCM in Israel before being ambassador to Jordan and then becoming assistant secretary in NEA. That was a good example, and there are many others who moved back and forth. There were people on the Israel desk at that time who had served in Arab countries. Compartmentalization was a very bad idea. In effect we allowed other countries to determine who gets assigned to what post. By the 1980s at every level foreign service personnel were moving back and forth between the Arab world and Israel.

That change produced a far better approach to the difficult problems of the Middle East. For instance, Daniel Kurtzer, the current ambassador to Egypt, was at that time a brilliant young officer assigned to Israel. He had served earlier in Egypt, and went on in the late 1980s to become Deputy Director of Egyptian Affairs. So he went back and forth between the Arab world and Israel. He spoke some Arabic; he is of Jewish extraction, spoke Hebrew, and had studied in Israel. He got a lot of heat for that when he went to Cairo as ambassador. But he is so competent, so bright, and so personable that I think he's been able to completely overcome that. I think we're much better off today moving people back and forth than we were before.

Q: Rather than assuming if you're an Arabist, you're obviously prejudiced one way, and if you're of Jewish extraction, you're prejudiced the other way-

LLOYD: Exactly.

Q: Rather than being, you know, you're an American, there's American policy, and it gives greater depth to the core really.

LLOYD: Certainly. The result of the prior policy was that people who were assigned to Israel didn't know very much about the Middle East. They had not served in the Arab world; they had little background on the Middle East; and they were often from EUR. The result was that the policy coordination had to take place only at the top, and there weren't those kinds of personal ties that one finds today between officers serving in various embassies in the region.

Q: While you were on the Egyptian desk had it earlier, I mean relatively within a year or so on or during the time you were there…I mean, again I come up with this invasion of Lebanon, which was so sort of egregious, run by Ariel Sharon, now the prime minister of Israel in 2001. Was there ever the temptation of the Egyptians to sever relations, or was this sort of the money that we were paying sort of keeping them in the fold or not?

LLOYD: Sever relations with?

Q: With Israel.

LLOYD: With Israel? Yes, indeed. This was very much on their minds. I think they wondered, "How much can we take?" because every time there was an advance into Lebanon or a new story about what was happening in Lebanon the other Arabs would turn to the Egyptians and say to them, "And you're taking American money! You have the leverage with the Americans! Why don't you ask the Americans to ask the Israelis to pull back?"

Of course, the bottom was reached with the events at Sabra and Shatila, the two refugee camps on the outskirts of Beirut. They were the scenes of massacres by Christian groups, massacres that were effectively permitted (or organized, depending on how you interpret what happened) by Ariel Sharon, the current prime minister of Israel, who indeed was

found by an Israeli board of inquiry to be in some way responsible for the massacres. It's surprising to me personally that he was able to survive politically having been found to be so very much involved in these human rights violations.

The pressures on Egypt at that time were intense. American economic and military aid was essential. At the same time there were pressures by the other Arabs, who said, "You're in the pay of the Americans. You've sold your soul while the Israelis are destroying Lebanon. You're allowing yourselves to be bought by the Americans." It was a very painful time for the Egyptians.

Q: Did you get involved in the transmission of instruction notes or anything like that in this particular thing?

LLOYD: Oh, yes indeed. We used both Ambassador Ghorbal because we knew how close he was to Mubarak, and we also used the American embassy in Cairo. As a rule, American instructions or messages from the American government tend, in my experience, to go through the American embassy because then you can be sure of who's delivering the message and how it's received. Sometimes the ambassador here is not of the same quality as the American ambassador there. But that was not the case with Ashraf Ghorbal. He was first rate, and worked effectively in the American political system. By that time he had been here for 14 years. So we worked at both ends of the system.

Once when the Egyptians during this period temporarily withdrew their ambassador from Israel we were required to come down on them very hard, because this was one of the fundamental tenants of the Camp David Accords, and they were reneging. This was a time of great tension in U.S.-Egyptian relations.

Q: What happened? Did they-

LLOYD: The ambassador eventually went back to Israel. His name was Bassiouni. He was very well connected in the upper levels of the Egyptian government. He eventually went back. But the fact that he was withdrawn caused great tension in U.S.-Egyptian relations because it looked as though maybe the Egyptians were going to be pressed by their Arab brethren to take other steps that would conflict with the Camp David Accords.

Q: How were relations with and what were our concerns with Libya in those days?

LLOYD: As you recall, Qadhafi took over in 1969. He'd been there by that time for almost 15 years. He was causing a lot of trouble throughout the world with a lot of oil money. The Egyptians were very concerned about Libya and very afraid of the possibility of a Libyan invasion of Egypt. I think that the U.S. on a couple of occasions was helpful to Egypt in keeping an eye on what was going on within Libya. There were, of course, people moving back and forth, some people who were official and some people who were unofficial. So we were trying to assist the Egyptians in dealing with what they considered to be a great threat on their western border. The western desert for them is like the Pacific Ocean for us; it was always a barrier.

Q: What about Sudan?

LLOYD: Sudan was also in turmoil then as it is today, with an ongoing civil war between the Muslim North and the Christian South. They were of concern to Egypt. There were longstanding historical ties between Egypt and the Sudan. This was just a few years after our ambassador Cleo Noel and his DCM, Kirk Moore, were murdered in Khartoum in '72. There was still a lot of turmoil in Sudan, and Egypt was afraid that they would be caught up in it. Sudan has a special tie with Egypt because Sudan is considered to be the source of the Nile. While the source is actually in Uganda, Sudan is always concerned about Egyptian water use, and Egyptians are concerned about water use in Sudan. So there is Egypt, surrounded essentially by unfriendly governments. I used to kid the DCM of the Egyptian embassy about his cousins and his brothers. His cousins were the Israelis, and his brothers were the Arabs, and of course Egypt didn't like either one. He was on the outs with both his cousins and his brothers. But then around them they also had Sudan and Libya. So it was a very unfriendly neighborhood as Egypt saw it, as they were walking a fine line between being an ally of the United States and a good Arab at the same time.

Q: Well, we must have been concerned by the fundamentalists', nationalists' (I don't know what you'd call it) movement, the people who killed Sadat, and all that at that time.

LLOYD: Yes, and there were a number of individual incidents, none on a par with what we've seen in the last five years. But there were a number of individual incidents, one in the city of Asyut in upper Egypt, where there had been attacks on foreigners or police stations…more likely police stations because of local dissatisfaction with the government. I don't think that fundamentalism at that time had come to be the threat that it is today throughout the Muslim world or to be seen as such a threat throughout the Muslim world.

The Egyptian system, as I've implied, was theoretically democratic with a parliament and parties, but effectively it was a one-party state. We would have liked there to be a little more democracy. It would have made the Americans certainly more comfortable. This was a fact that was often pointed to by the Israelis: that Israel is the only democracy in the Middle East. There was a degree of democracy within Egypt's ruling party. There were factions within the ruling party, as seems to be the case in many authoritarian systems, that what democracy there is takes place within a fairly narrow spectrum.

Q: Was there a problem? I mean obviously one of the great concerns of Egypt is the growing population, and yet we had a Republican administration, and we're opposed to abortion, and that all. Did that cause any particular problems that reflected on your work?

LLOYD: Not that I recall. This was before the Mexico City formula, whereby the United States would not support organizations which (with other funding) supported abortion. Private organizations were involved in Egypt with population control measures. They saw right before their eyes in Cairo the horrific effects of overpopulation.

One of the problems that made life in Cairo very unpleasant for a lot of people was the sewer system, which was built by the British around the time of the First World War and, was breaking down. I don't recall the exact numbers, but a substantial number of Cairo apartment houses had a foot of sewage in the basement once a week, not a pleasant experience. One of the things that the Americans did during this time was to begin to work on the replacement of the sewage system in Cairo. We got a bad rap for that! That's a very expensive, basic infrastructure project which causes Cairo-already choked with traffic-to be even a worse place to drive in. To get from the embassy to the foreign ministry at peak periods would take more than an hour with a driver.

But the Americans were involved with building the sewers and making traffic worse. The French were building a subway, which was a little bit better. Although it made traffic worse, it still had a cachet of being modern and the twentieth century and that sort of thing. But the prize had to go to the Japanese whose aid program was nowhere near the size of ours, of course, and a lot smaller than most European programs. On the road from Cairo north to Alexandria the road is straight for many miles. There's one particular dogleg where you can see it way ahead because the land is very flat there in the delta. Right at the turn (a 45-degree turn) there's a children's orthopedic hospital built by the government of Japan with a large sign across the top of the hospital, "From the people of Japan to the children of Egypt." Everybody said, "Now why couldn't we think of something like that?" People have said, "Well, maybe we should build some pyramids so that we have a public impression."

Q: During your time did you have much contact with Congress?

LLOYD: Yes, I did. I had some contact with Congress in terms of briefing groups there. Most of that was handled by Nick Veliotes, the assistant secretary. Given the volatility of this issue and the great influence of the American-Israeli Public Affairs Committee in Congress, this was handled at the assistant secretary level.

Q: How did you find Nick Veliotes as a leader?

LLOYD: He was very good. He was a bright, hard-working, charming guy who, as I mentioned, went on to be ambassador to Egypt. I had known him a little bit in the past. There was a war going on between Iraq and Iran, and there was a war going on in Lebanon; something was also happening in South Asia. I'm not sure what! It was a very busy time! I think the Department is better served by splitting off South Asia.

Q: Yes. Well, South Asia had…well, we'd had our embassy burned in '79, and it was not a happy time-

LLOYD: Yes, yes.

Q: In Pakistan.

LLOYD: Those issues are really far away from the Arab-Israeli questions.

Q: Yes.

LLOYD: At that time AF/N, North African Affairs had been integrated into NEA so that one bureau in the Department was responsible for all the countries from Burma to Mauritania, and a huge east-west span, a tremendous number of time zones, very different issues, different languages, different histories. Effectively I think, the concerns of South Asia got short shrift.

Q: Everything tended to boil down to the Palestinian problem anyway, didn't it? I mean, for NEA that's where the-

LLOYD: Yes, the Arab-Israeli issue.

Q: Yes.

LLOYD: Even to where people sat in the assistant secretary's staff meeting. I remember when I attended my first one, I came in and just took a chair. Then everybody stood and looked at me, and stood on one foot and then the other. I saw immediately that I'd done something wrong. I didn't know quite what it was. I had taken somebody else's chair. I was then pointed to the Egypt chair. That had been the same chair for 15 years or something like that, right beside the Israel chair. As we went around the room the last people to speak each time would be the South Asia office directors. By that time we were out of time and out of patience, and they got not the same treatment.

Q: Were you getting anything from your Egyptian contacts and all, who really didn't give a damn about Israel? "We got our own problems. We're not really Arabs. We're Egyptians!" Was that at all a sub theme?

LLOYD: It was a sub theme certainly in the Egyptian culture and the Egyptian press. I remember there were public opinion polls where people would be asked to classify themselves. Are you an Arab? Are you a man? Are you a post office clerk? Are you an Egyptian? List all of these things in order. For many Egyptians, they were Egyptians first and Muslims and then Arabs, or Egyptians and then Arabs and then Muslims, because they felt themselves different from the Arabs from the Hejaz, and different from the Eastern Arabs of Syria and Iraq. They felt a great pride that Cairo was the center of the Arab world. They looked back on the glories of Alexandria and the glories of Cairo. In that looking back, they, of course, irritated the other Arabs because they felt they were basically better than the other Arabs. They were bedeviled by being the strongest Arab country with the largest army and largest population. They were the ones who bore the brunt of the wars. For those Arabs who would say, "Fight! Fight!" such as the Saudis, "Let's go to war!" it was the Egyptians who died and who were asked to go to war by the other Arabs.

Q: Did the Iran-Iraq War have any impact or interest within the Egyptian milieu?

LLOYD: No, I don't think so, really. It had been going on for a year or two by the time I got to NEA. I think that there were sporadic attacks back and forth. There were Scuds being launched from one side or the other. This was after the release of our hostages in January of '81, and U.S. relations with Iran were turned off. I know that we kept track of what we could learn from various intelligence activities. We kept track of that war, but it was very distant from Egypt. Egypt's focus was on the Israeli advance in Lebanon, on its relations with the Arab world, and its relations with the Americans.

There were times when the Americans embarrassed the Egyptians. There was a base to the west of Cairo, an Egyptian air base where the Americans asked if they could come in with some AWACS (Airborne Warning and Control System), to keep an eye on what was going on in Sudan, Chad, Libya along the Libyan border. The Egyptians said, "Of course you can use the base. We're happy to be of help." Then to their horror they find that the Americans in order to support three aircraft came in with a thousand men or something like that, with cooks, a PX, and all kinds of things. Fortunately they were way out in the desert, far from Cairo.

But they were embarrassed by being too close to the United States, and very much aware of their dependence on the United States. I guess that dependence continues today. Looking back over American relations with AID recipients over the decade, the recipient is seldom really happy at being on the receiving end of these handouts.

Q: Yes. Well then, you left. Were there any developments or anything like that at the time that we haven't covered?

LLOYD: I don't think so. I left the Department from EGY. I really regretted leaving, but it seemed to be the best thing to do. By that time I had been in the U.S. for nearly eight years, and I was being pressed to go abroad. Nick Veliotes asked me to come with him to Cairo as him DCM. I admired Nick, and it would have been wonderful job. But I had other plans: A job came up at ITT (International Telephone and Telegraph Industries) that had been held by Sam De Palma, who had been assistant secretary in IO (Bureau of International Organization Affairs). He was retiring, and after several months of interviews and hesitation by ITT, I got that job. It was a very hard decision to make.
Q: I'm sure it was. Just briefly, was there an international connection to the ITT job?

LLOYD: The title of the job was Director, of International Relations. Well, ITT was a company at that time that was in the telephone business with about 200,000 employees around the world, about half of them abroad, a big center in Brussels with 400 people in an office building in downtown Brussels. ITT was manufacturing principally in Europe, selling all over the world. It was a huge international company with a checkered past, having been involved in Chile and in various shenanigans involving the Republican Party in the early seventies. They were a company that wanted someone with broad foreign experience.

Q: What sort of work were you doing?

LLOYD: Well, at first I was essentially put into the slot that Sam De Palma had held. He was doing political risk analysis and background work on countries of importance to ITT. In each country there was a country officer, a senior officer of ITT who was generally a national of that country. He was in charge of giving an appreciation of the direction of the government of that country. I think that often the ITT headquarters wanted another viewpoint, like having INR or the Policy Planning Staff, or something of that kind.

Q: Yes, well, also somebody who isn't a national of the country to give it that more objective viewpoint.

LLOYD: Exactly. I was able to find out by talking to people in Washington in both the private sector and in government what the Washington view of relations with those countries would be. Often the country officer, a national of the country in question, was not entirely pleased with what they saw in my writing because they were trying to paint a somewhat different picture.
Q: It was also a difficult time when you arrived, wasn't it? Governments were looking rather askance at these multinational-

LLOYD: Well, yes, and particularly at ITT-

Q: Yes.

LLOYD: Which as I mentioned had a checkered reputation in Brussels, which was their European headquarters. They built in the sixties a large, black, granite building, which cast a shadow on a twelfth century abbey, which was still the scandal of Brussels. The idea of having the tentacles of American economic imperialism casting a shadow on their famous abbey was a horrifying thing.

Q: Well, how long did you stay with that?

LLOYD: I joined ITT in '83. The work evolved from basically doing policy planning/INR work to being in charge of their export control function to moving into domestic government affairs, dealing more with the Congress. In 1999 ITT closed its Washington office, but I went to another company with ITT as my sole client. So I'm doing basically that same work today, working on government relations, business development, and export control compliance.

Q: Just because we are talking about foreign affairs - you had a long run with ITT - did you sense a change in the corporate spirit towards other countries and all that? Had they been burned and were they trading carefully, or was the bottom line the bottom line?

LLOYD: The people involved in the two incidents-one was Chile, and the other the fiasco around the Republican convention of 1972. In Chile ITT was clearly involved with United States government efforts to destabilize the Allende government in Chile. In the other case ITT gave a check (I have a copy of it actually) to the Republican National

Committee for $100,000 to induce the committee to hold the Republican convention of 1972 at the Sheraton Hotel in San Diego, which was owned by ITT. That was legal in those days. Companies could give money to political parties in those days. However, what wasn't so legal was another memorandum that surfaced that said, "With respect to that gift that we're making, I just wanted to mention that if you could drop that antitrust case it would be very nice."

Q: [Laughter]

LLOYD: That caused an outcry, and there were hearings, indictments, and a lot of difficulties for ITT. But surprisingly, the CEO (Chief Executive Officer) of ITT, the senior vice president who was in charge of both the Chile operation and in charge of the Washington office when this memo surfaced about antitrust, they were all still in place and remained in place for many years after that.

Q: Yes, yes.

LLOYD: So, anyway.

Q: Anyway, I guess this is it.

LLOYD: I think it is, Stu. Thank you very much.

Q: Thank you!

End of interview