

# FS HERITAGE

## LLEWELLYN E. THOMPSON

### AND THE TRIESTE NEGOTIATIONS

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RESOLVING THE TRIESTE DISPUTE BEFORE IT BECAME A COLD WAR FLASH POINT  
WAS A HIGHLIGHT OF AMBASSADOR LLEWELLYN THOMPSON'S CAREER.

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By *Jenny and Sherry Thompson*

**L**lewellyn E. Thompson Jr. (1904-1972), our father, was a long, lean, graceful and absurdly quiet man. Brought up part-time in a small southern Colorado town on the Old Santa Fe Trail and part-time on a sheep and cattle ranch in the remote plains of central New Mexico, he learned to play cards with the Basque cowboys in the ranch bunkhouse. There he perfected the poker face that would serve him so well in his diplomatic career.

His background and his quiet demeanor added to his air of mystery. No one could boast of being very close to him, and people from opposite ends of the political spectrum claimed him as their own. In today's world of celebrity, his life is a reminder of how much can be accomplished through quiet service to one's country.

He is known to Foreign Service officers and Cold War scholars for his ambassadorship to the Soviet Union and his role in the Cuban Missile Crisis. However, his career placed him at other important events that are not commonly known. His unique relationship with Soviet Premier Nikita

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*Jenny and Sherry Thompson, daughters of Ambassador Llewellyn E. Thompson, are currently working on a book about their father and would greatly appreciate any information or anecdotes from Thompson's former colleagues. Please direct responses or queries to Sherry Thompson at [LlewellynThompson@gmail.com](mailto:LlewellynThompson@gmail.com).*

Khrushchev (previously, U.S. diplomats had had almost no informal access to Soviet officials of any kind) was due in part to the fact that during World War II he had stayed at his post in Moscow even during the siege by the Germans, overseeing both U.S. and British interests when the rest of the diplomatic corps (and much of the Soviet government) had fled to Kuibyshev. When messages had to be relayed from the American ambassador to Premier Joseph Stalin, the young FSO personally delivered them to "Uncle Joe."

Thompson was a clerk, along with Charles "Chip" Bohlen, at the Potsdam Conference. A decade later, he conducted the secret negotiations that led to the settlement of Trieste. On behalf of the United States, he concluded the Austrian State Treaty that restored that nation's sovereignty, and was still in Vienna when the flood of refugees from the Hungarian uprising came streaming across that border. Later, he helped resolve the Berlin Airlift and was present when Nikita Khrushchev revealed the capture of U-2 pilot Gary Powers.

Thompson was the first American official to appear on Soviet television and pioneered the cultural exchanges that included the American Expo Fair in Moscow in 1958. And he was an early architect of the Strategic Arms Limitation Talks process.

Sadly, he died at the relatively young age of 68, before he could witness the fall of the Berlin Wall and the end of the Soviet era — but he predicted them as inevitable.

The obscurity of Thompson's accomplishments is not

surprising, as he left a scant paper trail. When he retired in the 1960s, the expected book of memoirs was not forthcoming, even though such friends and colleagues as Chip Bohlen, Jacob Beam and George Kennan were writing or had written theirs. When asked why, Thompson said he felt it would compromise the work of future diplomats if it became practice to divulge behind-the-scene talks. He consistently maintained that it was the results of negotiations and diplomatic work, not the process or personalities, that counted.

“He didn’t give a damn about publicity,” his one-time assistant Leonard Unger recalls, but “he had a very special relationship with the newspaper people; he knew how to work with them” — a useful skill when secrecy was essential. When his wife once complained that credit for his work went to someone else, he said, “Jane, where it matters, they know.” He was right, of course, and after he success-

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fully concluded the Austrian State Treaty in 1955, Secretary of State John Foster Dulles offered him the ambassadorship to the Soviet Union.

In November 1971, already ill with cancer, he gave an uncharacteristically long interview to historian John

Campbell on the Trieste crisis. He said resolving that matter had given him the most satisfaction in his career, and he thought important lessons had been learned that could prove useful in the future. For that reason, we wish to highlight that episode here.

### **A Thorny Problem**

At the end of World War II, the status of the city of Trieste and the surrounding “Free Territory” was a thorn in everyone’s side. Claimed by both the Yugoslavs and the Italians, it was given to neither. Instead the Americans and British occupied one part that included the city and port of Trieste (Zone A), and the Yugoslavs occupied the other (Zone B) until negotiations could assign the area to one or the other claimant — or both, as happened in the end.

For nearly a decade, the Italians used Trieste to wield political pressure on the U.S. because, as allies, they felt it should go to them. Yugoslav President Josip Tito argued that because Yugoslav partisans had liberated the area from the Germans, it should be theirs. Repeated attempts to bring the two contenders to the negotiating table proved fruitless, even though geopolitical interests made this a Gordian knot in the heart of Europe that everyone wanted untied as soon as possible.

So seemingly intractable was the situation that in October 1953 Clare Boothe Luce, U.S. ambassador to Italy (and wife of media magnate Henry Luce), convinced President Dwight Eisenhower and British Prime Minister Winston Churchill to pull out their troops and give their section to Italy. This became known as the October 8th Declaration. Luce argued that, otherwise, the communists would win the next Italian election, even implying it might jeopardize Eisenhower’s own re-election.

While the ambassador understood the Italians, she did not assess the



*Ambassador Llewellyn Thompson, wife Jane, and daughters Jenny and Andy arriving in Vienna, 1952.*

Balkan mentality correctly, for she assumed that the Yugoslavs would be satisfied with retaining Zone B. Instead, a serious crisis erupted, with troops on each side of the border ready to confront each other, both (ironically) supplied by the United States.

So State came up with a new strategy. Since the Italians and Yugoslavs refused to negotiate directly, the “occupying” forces — the U.S., Britain and Yugoslavia — would negotiate a solution on their behalf. The Italians, inferring an American and British predisposition to their side, did not object. Nor did the Yugoslavs, happy the Italians were not included.

The talks were to start in London in January 1954, but in secret, to avoid another public failure. The Yugoslavs appointed Vladimir Velebit, a Trieste, as their representative. Geoffrey W. Harrison, assistant under-secretary of state in the British Foreign Office, would negotiate for the British. Julius Holmes, who was on assignment at the European Desk at State and had been embroiled in the debates over Trieste for years, was the logical person to represent the United States. But his candidacy was rejected because he was being investigated by the Justice Department for alleged financial wrongdoing linked to surplus ship transactions. Holmes’ problems were known only to a few, so Thompson’s appointment to head the talks came as a surprise, given the fact that he was already fully occupied as chief of mission in Vienna.

Thompson went home to break the news to his wife, who was pregnant. He genuinely, but erroneously, believed he was a placeholder and that his assignment would last a few weeks or a month. Luckily, he had a strong staff in Vienna headed by a very able deputy chief of mission, Charles Yost, whom he trusted completely. The unusually close sense of teamwork that developed there has

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been attested to by many.

Thompson left Vienna on Jan. 22, 1954, for Washington, just after his daughter Sherry was born — supposedly for briefings on Austria. Then it was on to London, ostensibly to buy

clothes. He went on “buying clothes” until the following October!

Thompson avidly followed news of the weight gain of his new daughter, along with the weight loss of her mother, by post. It was a difficult time to be apart, and they wrote constantly.

Thompson complained in his letters home that London was expensive and cold. He had a lot of background reading and “homework,” which he could only do under the bedcovers because it was so cold in his little room at the Connaught Hotel (not so posh as it is now). He could not contact anyone to keep his whereabouts secret, so he spent his free time wandering around the city window shopping, attending concerts, going to horse races and solving chess problems. He complained about the food, too; when the talks finally ended nine months later, this already lanky man had become almost skeletal.



*Photo: Amb. Thompson leaving Austrian State Treaty meeting in Vienna, 1955. Inset: Thompson receiving the Medal of Freedom from President Kennedy.*

## The Talks Begin

Perhaps Thompson's most important achievement in the negotiations was convincing both sides that he was an honest broker — not easy, following the October 8th Declaration. His instructions from Washington were, in his own words, “hopelessly lopsided in favour of Italy.” Taking advantage of Secretary Dulles' presence in Paris, Thompson went to see him and was able to get his orders modified. Still, it took Thompson and Harrison more than two weeks to convince Velebit that “our interest was due to wider issues at stake and not just some maneuver in an Italian game.”

**The Importance of Secrecy.** What might have been an inconsequential dinner between Thompson and Velebit, colleagues from a previous posting in Rome, changed the whole configuration and character of the talks. During a February 1954 dinner, the two men confided in each

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other enough for Thompson to tell Harrison that he had made more progress in those few hours than in all the previous days at the negotiating table. He realized that to get down to essentials, it was necessary to remove the audience. Thus, at his suggestion, all three principals dismissed their

entire delegations so they could engage in frank discussions. In a twist on Woodrow Wilson's dictum, Thompson maintained that “Open covenants are all right, but arriving at them openly is a poor way to achieve them.” And years later, he observed, “Our greatest weakness in diplomacy, in my opinion, is our inability to keep our mouths shut.”

**In the Other Man's Shoes.** Thompson knew that understanding the problems and tactics of the other side is essential to good negotiating, and he had already learned at Potsdam that one of the greatest requirements in dealing with the communists was patience. Because of the rigidity of their system, it was never wise to spring a new move on them or expect immediate answers.

For the communists, the most important factor was to save face, and not necessarily to seek a mutually advantageous compromise. In the case of Trieste, offering the Yugoslavs predominantly Slavic hinterland territory in exchange for predominantly Italian coastal towns seemed eminently reasonable, but it put Tito in an awkward position. Residents in the hinterland towns would move in order to stay in Italy and Yugoslav fishermen in the coastal towns would have to defect to Italy to access the sea in order to continue fishing.

Recognizing it would be embarrassing for the Yugoslavs to have an “exodus of people going into Italy,” Thompson offered a new deal to avoid this. He added solutions to port access, reparation payments and minority rights, intentionally creating an interdependence that ensured profitable, long-term cooperation.

## Hole 9

Velebit did not want to reveal his government's maximum position because he anticipated the Italians would make a counterproposal to whatever was brought forward. So he



*Thompson (center) with President Dwight D. Eisenhower (left) and Secretary of State John Foster Dulles, 1958. Inset: Thompson (left) with Nikita Khrushchev and Moscow DCM Boris Klosson (right) at Spaso House.*

suggested presenting something less grand to leave room for bargaining.

Although Thompson had also predicted the likelihood of a counterproposal, he argued against manipulating the Italians through deception. (In a talk Thompson would later give at the Foreign Service Institute to future diplomats on negotiating tactics, he said: "I would like to give one piece of advice which applies to all diplomacy as well as negotiation. . . . You will find it elaborated with great skill in Harold Nicholson's writings and it may be summed up by saying that no matter whom you are dealing with, honesty is the best policy.")

The Yugoslavs then pressed for a guarantee that Washington and London would impose their solution on Italy, but Thompson would not give in on that, either. It was clear to him that they would, in effect, be presenting the Italians with a *fait accompli* that the Italians would not accept any more than the Yugoslavs would have. So he made it clear to Velebit they would have to present these concessions only as proposals.

Having started out demanding the entire area of Trieste, including the city itself, the Yugoslavs had finally agreed to a division along the A/B Zone border, but with a slight adjustment on the northern side to encompass the town of Punta Sotille on the seashore, in favor of the Yugoslavs. In exchange, they would give Italy a comparable triangle of land in Zone B, which became known to the Western negotiators as the "rock pile" because it was an uninhabited rocky bit of land with no discernable redeeming value.

When this and other proposals were taken to the Italians for approval, they reacted heatedly. Letting the Yugoslavs have Punta Sotille, which overlooked the Trieste port, would jeopardize the very existence of the Italian government.

The talks thus stalemated over a

piece of land the Americans referred to as "Hole 9," because the territory was not much bigger than the ninth green at the Chevy Chase Golf Club. U.S. Acting Secretary of State Walter Bedell Smith commented that a minor concession on Trieste was in Yugoslavia's own interest because it would lead to reparation payments by Rome of up to \$30 million, "the most profitable real estate deal he had ever heard of." Yet the Yugoslavs would not budge. Nor would the Italians.

What finally removed the stumbling block was simple ego massaging. Thompson had written early in the negotiations that a final gap was inevitable and that a direct, high-level appeal would be needed to bridge it. He now suggested this be expressed in a personal letter from Pres. Eisenhower.

Robert Murphy, an important diplomat and personal friend of the president, made the pilgrimage to see Tito, travelling not just to Belgrade but all the way to Brioni, where the leader was playing "hard to get." The letter from Eisenhower made Tito feel that the president and great World War II general was talking to him as an equal, and in September 1954 Tito agreed to let the Italians have Punta Sotille in exchange for the "rock pile." To avoid amending the Italian Peace Treaty signed at the end of World War II, this agreement remained a memorandum of understanding until it was ratified in the Treaty of Osimo in 1975.

### Cutting the Gordian Knot

The U.S. wanted regional stability, and the fact that the agreement lasted until 1975 attests to its success. But had all the months of quibbling really been necessary? Couldn't Washington and London simply have come up with a reasonable deal and made the two countries accept it?

Not likely. The prospect of being forced to accept a *diktat* by the two

Western powers was simply not feasible, politically or personally, for either Yugoslavia or Italy. National and personal egos would not have allowed it, and the region would have remained a potentially dangerous focus for conflict.

The negotiations' general secrecy allowed the two countries to accept the U.S. and U.K. as brokers without having to consider national pride on a world stage. The private talks among Velebit, Harrison and Thompson, without their entourages as audience, allowed them to build trust and be honest with each other. And the ability of each side to come to agreement without force and to claim victory saved face for everyone.

In the end, the secrecy, trust and empathy our father demonstrated throughout the negotiations were the keys to cutting the Gordian knot. ■

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