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

JAMES C. WARREN, JR.

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

Q: Today is March 22, 2001. This is an interview with James C. Warren Jr. This is being done on behalf of the Association for Diplomatic Studies and Training and I'm Charles Stuart Kennedy. You go by Jim. Let's start at the beginning. When and where were you born? Tell me a little about your family.

WARREN: I was born in Morristown, New Jersey, in 1927 and grew up in Morristown. At about age 10 or 11, we moved into New York City. I went to school in New York for several years before going off to New England to Westminister School, which was followed by Princeton and then the U.S. Army Air Corps, and then back to Princeton.

Q: Tell me something about the background of your father.

WARREN: My father was an investment banker on Wall Street.

Q: Where had he gone to college?

WARREN: He had gone to Amherst, as did his father.

Q: Where did they come from, the Warrens?

WARREN: The Warrens were mostly from Maine. The original James Warren arrived in Maine in 1651 on a boat called the Pied Cow. He was an indentured servant, a Scot who had been captured by Cromwell's soldiers in the Battle of Dunbar. He was sold off to a merchant in London who resold him to a merchant in Boston. He had seven years to work off that lien.

Q: So your family came through that. Was investment banking part of the business of your grandfather?

WARREN: No, he was head of the Romance Languages Department at Yale. He started his career at Johns Hopkins in Baltimore.

Q: How about the background and education of your mother?

WARREN: My mother's family were Bucks County, Philadelphia Quakers.

Q: What was their name?

WARREN: Jenks. She, however, did not follow in her father's conservative tradition. She became a sculptress.

Q: Was she self-taught.

WARREN: Yes, one of the most educated persons I have ever known in my life, but she never got beyond formal high school level.

Q: This was common. People did have to teach themselves, particularly women, who were not given quite the same opportunities.

In 1927, as a child of an investment banker, it wasn't the greatest time.

WARREN: The Stock Market crash passed me by, but the Depression was very real. I considered myself a product of those more than 10 years of being exceedingly careful with one's very limited funds. It was hard scrabble. I don't pretend that we ever missed a meal, but it was very close to the vest. I can recall my father sharpening his razor blades on the inside of a water glass and things like that.

Q: Did he continue in investment banking?

WARREN: He did.

Q: Where did you start school?

WARREN: It was in Morristown. You will be amused at the story. My mother and her generation of mothers in that area looked around at the available schools and recoiled in horror and said, "We'd better start our own school" and they did. It was called Mount Kemble School. It was a progressive school. It was tiny, but very livewire. It was run by crackerjack educators whom they had recruited. When my grandfather moved out of his old house at the top of Mount Kemble, there was a house vacant, and a huge one. My mother and her fellow mothers instantly moved in and established a school there and there it flourished for most of those years of the Depression, eventually becoming so successful that they had to seek larger quarters, which they did in Bernardeville and then

in Far Hills. By the time they got from Morristown to Bernardeville to Far Hills, the school fell into the hands of the fox hunting crowd and the character of the school changed. It is today known as Far Hills Country Day.

Q: What sort of sculpting did your mother do?

WARREN: She worked in wood, in stone, in clay cast into bronze. Later on in her life, she found that really too strenuous and she became a weaver, but all her life she was a dedicated artist. Some of her pieces ended up in the Thomas Watson/ IBM collection and the Philadelphia Museum of Art, at the World's Fair, the Whitney Museum in New York.

Q: Was it representational?

WARREN: They were not Henry Moore type things. They were much more distillations of something. Some of them were formal portraits, formal busts, brilliant jobs. Some were animals. Some were dancers. But in all of them you could see a kind of reduction down to the essence. She was good.

Q: From your perspective, in the 1930s, what was a progressive school run by mothers like?

WARREN: "Auntie Mame." If you remember that book, you know all about my grammar school. Strong on finger paints. Strong on dyeing loincloths in sumac and doing Montezuma plays. It was a spirited outfit.

Q: Besides doing that, I got into something where we ground acorns to eat. They were awful.

WARREN: We came very close.

Q: How about the basics? Were you getting a pretty solid course?

WARREN: Certainly we were readers, no question. We were readers and singers and dancers. I think the math was okay, but I don't recall any special qualities there. But we came away with curiosity. It wasn't bad.

Q: When you moved to New York, how old were you?
WARREN: That was about 1938 or '39, so I was roughly 11 years old.

Q: Where did you go to school in New York?

WARREN: Friends Seminary, a fine, old-fashioned Quaker school but not because we... were Quakers. Although born into a Quaker family, we never possessed any particular religiosity. The Quakers make bloody good educators and they ran a very good school. It was one of my memorable experiences.

Q: Do you recall any of the subjects that particularly interested you?

WARREN: Chemistry and what they called then social studies, meaning contemporary politics. French was good, strong. Latin was also strong.

Q: You went there from about '38 to when?

WARREN: Until '41.

Q: Europe was beginning to heat up. You were pretty young, but did the events in Europe intrude while you were at school?

WARREN: Most profoundly. The coming war in Europe was very profoundly etched into our consciousness. Granted, we were very young, but we were collecting and putting into notebooks and bringing into class the cartoons of the family British cartoonist Edward Low and things like that. The imminence of war in Europe was very real to us.

Q: Going to a Quaker school, were you getting a spin on that about war?

WARREN: No. The fact that it was run by Quakers in no way impinged on the quality of education, which was neutral. There was no spin.

Q: Going back to growing up both in Morristown and in New York, what was your family politically? Was Roosevelt that horrible man in the White House? Kids felt it. They grew up on one side or the other.

WARREN: I grew up on both sides.

Q: I take it your mother was for Roosevelt and your father…

WARREN: My father would have said, "Son, never vote for the party. Look at me. I always vote for the man. Coolidge, Hoover, Landon, Knox, Dewey…" He was not an ideological. He was Republican more by a pragmatic test of Roosevelt, whom he regarded as rather a demagogue. He likened him to Pericles as being strong on public works. On the other hand, my mother's parents were of the school which said, "Let's go down to the Trans Lux and hiss Roosevelt."

Q: Was your mother?

WARREN: My mother was practically in that far left wing of the Roosevelt coalition that was then part of the scene.

Q: By 1941, you went to Westminister School?

WARREN: Yes.

Q: Where was this?

WARREN: In Simsbury, Connecticut, on the banks of the Housatonic River, otherwise known as the Yale watershed.

Q: I was farther up. I went to Kent for four years.

WARREN: Oh, we used to play you in hockey.

Q: Oh, yes. What was Westminster like? Was it a church school?

WARREN: No, it was Episcopalian. But as in the case of Friends Seminary in New York, it was not a religious school. They encouraged you to be confirmed. I almost went along that route and decided not. The student body was a quite reasonable mixture of WASP, Catholic, Jew… Everybody knew that it was an Episcopalian school, but no one felt pressured by it.

Q: How was the education?

WARREN: Good. Crackerjack.

Q: What courses or teachers particularly engaged you?

WARREN: My teacher in English, in French. The history was a bit fussy. Physics and chemistry were terrific. The life at the school was all-enveloping. That was one's life. It was great. The sports, the newspaper, the school play, the whole works were very involving.

Q: You graduated from there in '45. The war was very much in your mind. Were you and your colleagues following the war?

WARREN: Indeed we were. There was every day just before lunch an assembly. At that assembly, each of the kids would be called upon to report on an aspect of the war to which he had been assigned. My specific assignment was the South West Pacific. MacArthur struggling up from Australia to Port Moresby and Buna and Rabaul and through the Celebes in the direction of the Philippines. Probably once a month, it would be my turn to report for five to seven minutes on what was going on in that sector of the globe.

Q: I'm a year younger than you. World War II may have been a very deadly affair for millions of people, but for me, it was the greatest geography lesson you could imagine.

WARREN: Absolutely. It made map readers of all of us.

It really came home to roost was in the spring of '45. It was reported that one of our best football players who had graduated a year or two ahead of me and had entered the Marine

Corps, had been killed on Iwo Jima. I remember that very well. That really came home. He was a known element in the campus life.

Q: Was there an equivalent to a major or a concentration?

WARREN: No.

Q: You had two things: college eventually and the military. How did that work out?

WARREN: In those days, colleges were working around the clock on an accelerated program. I graduated from school in the first week of June of 1945. Two weeks later, I was in Princeton as a fully matriculated freshman. It's as though I had a two week vacation and that was it. We were right on the treadmill.

Q: Why Princeton?
WARREN: Because all my classmates were going to Yale. There was no more reasoning than that.

Q: I'll go along with that. I can understand.

WARREN: I said, "I've had enough."

Q: Let's talk about Princeton in 1945. You started in June. The war was still going on.

WARREN: Yes. VE Day had taken place in early May of '45. That was a month before I got t here. But VJ Day was ahead of us.

Q: And we were looking forward to a very bloody couple of years with Japan.

WARREN: It was very severe. Everybody had that sense of dread based on the experience in the islands. One had learned from the cultural anthropologists since then that the Japanese would never have committed national suicide, but if one were a general commanding troops who had gone into Kwajalein or Tarawa or Iwo Jima or Okinawa, one's entire experience would have declared itself in favor of the opposite.

Q: What was the student body like at that time?

WARREN: I tend to joke about it referring to Princeton in those century, half a century ago, as the University of Virginia of the North. There was an element there which reflected that. There were gentlemen students from the south who were narrow in intellect and not too bright and who were there to get gentlemen Cs and get out and go back to North Carolina. There was that element. Happily, I had some very good professors. They kind of wound me up. I had a pretty good time.

Q: Your time at Princeton was split. How long did you go before you went into the Air Force?

WARREN: I was in the Air Corps the succeeding winter. The war was technically over. The draft was still on. I was drafted and then assigned from Fort Dix to the Air Corps in Amarillo, Texas.

Q: Did the Princeton eating clubs come later on?

WARREN: Yes. The first two years, you're in the eating halls. Then the admission to the clubs comes at the end of your sophomore year for eligibility for the succeeding two years.

Q: The gentlemen from the South came and made up one contingent. How about the Northerners? Were they a separate group?

WARREN: They were indeed. Happily, they were there. That was a good thing. I might mention that when I was in the U.S. Army Air Corps, there we were in Amarillo, and later on in San Antonio, there were four of us who became kind of like the Four Musketeers - Al Balliett, who had been at Dartmouth; Bob Bambera, who had been at NYU; Whitney Ballayette, who had been at Cornell. There we were, all together in San Antonio in the Air Corps. We were New Yorkers. We were Broadway, Damon Runyon New Yorkers. One guy who was a New Yorker and a member of my class although, I never knew him, never even knew the name – Paul Volker.

Q: A very famous economist.

WARREN: Indeed. He did one hell of a job as chairman of the Fed 20 years ago. A revolutionary job.

Q: In your first year or so, were you moving towards majoring in anything?

WARREN: My first year was really fooling around, sampling this and that, drinking a lot of beer, playing a lot of jazz records. I was at the smorgasbord table. I was very interested in the newspaper. I wasn't in all honesty paying much attention to my studies, so it was a bloody good thing that I got drafted.

Q: You were in the Air Force from when to when?

WARREN: It was the winter of '45 turning '46 to the late spring of '47.

Q: What were you doing?

WARREN: We were put into basic training in Amarillo, a place God forgot, a dreadful place. Then from Amarillo, we were shipped south to San Antonio, where there was a school whose task it was to drill into us the techniques of personnel classification. The Air Corps in those days had all kinds of technical specialities – radar, GLS, ILS, control tower operations, etc. We were being trained to apply the discipline that required that

people subjected to this training should not end up doing something else, but they should indeed be assigned into that MOS [Military Occupational Specialty] so that that training was not wasted. So, we were being trained as classification specialists in the school just outside San Antonio.

Q: Did you spend your time in San Antonio?

WARREN: We completed the school with a gang of perhaps 25 men, of whom there were these four New Yorkers. The commandant of the school spotted us and said, "I want you to join my instruction team," so there we were, we had just graduated and all of a sudden we became instructors. We lived through two or three semesters. Then we began to get itchy. We wanted to get over to Wiesbaden, which was the Air Corps headquarters in Europe. We tried to arrange that. The commandant when he received our request was so offended that he was bound and determined to do anything possible to foul us up. So, he assigned one of us to Seattle, another to Boston, another to Goose Bay, Labrador, another to somewhere else. Then some orders came in to transfer the school from San Antonio to Keesler Field, so he left. While he was away, we ran around and found students who corresponded to each one of these places to which we had been assigned and there was some last minute switching. Lo and behold, somebody from Seattle found himself assigned to Seattle, etc. We were all on the train to Langley Field in Virginia.

Q: Did you continue to do the same work there?

WARREN: The same thing in Langley, except that it was really an overseas replacement depot and we were just waiting for overseas assignments. On one side of the field were these nice brick barracks with grass all around them. On the other side of the field there were miserable little huts where you could see the stars through the roof and surrounded by mud. That's where we were. I was assigned by my three pals to go over to the other side of the field and do a little exploration. So, I walked into the place called Headquarters AACS [Airways and Air Communications Service]. I asked to see the commandant. No, I couldn't see the commandant. I was a private. I wanted to talk about overseas assignments. To whom should I talk. "Lieutenant So and So." So, I went in to see Lieutenant So and So. I said, "Sir, there are four of us, one from Cornell, one from Dartmouth, one from NYU, and I'm from Princeton. We'd like to talk to you about overseas assignments." He sprang out of his chair, put out his hand and almost saluted. "Harvard, 1943", he said. He wrote out orders that very day to have us transferred to his unit, so we did. From there, the whole unit was moved up to Gravelly Point, where I got some knowledge of Arlington Hall.

Q: This interview is taking place on what had been the military base called Arlington Hall, now the Foreign Service Institute.

How long did you do that?

WARREN: Until the late spring of that year. I was on a couple of assignments. One was up in Massachusetts. Another was in Pennsylvania. These were assignments to go and

straighten out some classification problems. Another was in the very top of Maine. It has a French name, Presque Isle. When I got to be a corporal, I guess they decided that I was too expensive to keep on the payroll any longer. I got my discharge at Bolling Field. By this time, I was totally out of phase with Princeton's schedules. So, I worked in an advertising agency in New York City in Rockefeller Center until September of that year, when I went back to school.

Q: You started in September of '47?

WARREN: Yes.

Q: You graduated when?

WARREN: In 1950, albeit a member of the class of '49. '49 was a very screwed up class. There were people like myself who came in and had matriculated and then were drafted and then came back; others who were drafted, did their service, and then matriculated; others who were just thrown into the class because the university had no place else to put them. It was a curious medley.

Q: I went directly from prep school to Williams, the class of '50. At that point, I was not a veteran. But everyone said that the class of '50 and a little before it were extraordinary classes because so many people were really coming back from the war and were much more mature and had quite a different outlook. Did you find that?

WARREN: I can't say that I came back from the war. I came back from the Service.

Q: But the people you were with.

WARREN: The reason I put this in the first person is that I was a different person, no question. When I came back, I didn't fool around. I put my head down like a donkey and I worked.

Q: How did you find the eating club system? When you're a little older, it's not quite the same thing.

WARREN: Today, I suppose it must have improved. I thought it was an offense back in those days. I was selected to become a member of something called Tower Club, which was a nice club; I enjoyed it. But I felt the system was very, very wrong. If one has a fraternity system in which 10-20% of the student body is brought into those fraternities, one is in the minority. In Princeton's case, the mathematics were reversed. 85% of the student body would be elected to clubs, leaving a 15% element out and that put intolerable pressure. It sets a tone for the rest of the campus.

Q: I've interviewed some people who graduated from Princeton four or five years later. Some were from the class where before the selection of the clubs they announced that unless the clubs accepted every member of the class, however they wanted to do it, none

of them would join. That broke the exclusivity.

WARREN: The problem was one of extreme social pressure. I was on my club's committee to receive and look at the prospective members as they came in during that particular week, Bicker Week. It's like a bazaar. These kids coming in with their knees shaking and their palms sweaty I thought was a terrible social structure to have to work in. I don't object to fraternities that bring in 10-20% of the class. They can do what they want. But when your entire social structure, your eating system, your amenities that are available to you, are done that way… If I had been a university administrator, I would not have allowed it.

Q: Do you recall any subjects or professors that particularly interested you?

WARREN: Let me get ahead of the game slightly and say that when I got to Greece, which was my first job after Princeton, I arrived with Greece in my mind as a cipher. I knew nothing about Greece. I had the typical schoolboy Pericles and that's all. Happily, however, I had two terrific handles to come to grips with these. These I obtained at Princeton. One of them was Russia under Cy Black. The other was the Ottoman Empire under Walter Livingston Wright and Lewis Thomas. With those two handles, I had ways of prying open the Greek secrets.

Q: Were you moving towards political science or a history major?

WARREN: I got myself into the Woodrow Wilson School, the SPIA [School of Public and International Affairs] largely because I felt that there I would not have to be as narrowly concentrated as I would have to be had I elected history or political science or economics. At the Woodrow Wilson School, I could integrate all three of those disciplines on my own, which is what I did. It was a broad ranging program which you would label as international politics.

Q: Did the Cold War intrude at all in what you were doing, campus life?

WARREN: Not in campus life. But in my mind, it was a kind of a basso continuo in the background always. Indeed, one of the things that the Woodrow Wilson School required one to do was to participate in a couple of seminars in lieu of junior independent work. One of those was in NATO, brand new. The other was on the Marshall Plan, brand new. So, that constituted a background element that was always present, a sense of the Cold War.

The Cold War was a definite part of the background. I was strongly schooled in Russian history, so I came at it with an historical perspective that was very powerful. On the other hand, I'm a little surprised these days, today, 2001, when I hear people speaking of a kind of a social terror in the United States concerning the bomb and atomic warfare. I missed that. I don't know where I was. But children hiding under their desks and people building bomb shelters in their backyards. I gather today that this was a fairly widespread phenomenon in the U.S. It simply eluded me at the time. It was never part of my

consciousness.

Q: I recall vague things, but…

WARREN: But the Cold War, yes.

Q: Towards the last year or two at Princeton, what were you thinking of?

WARREN: I was moving in the direction of international politics. This was given a real boost in the summer of '49 when I was given a huge, wonderful fellowship for the summer. This was a gift by the American Scandinavian Foundation to the Woodrow Wilson School. It enabled one to go to Europe and to Scandinavia to do research on that which one had to do anyway, which was one's senior thesis. So, I was getting paid to do my senior thesis. In the summer of '49, kids were going to Europe, spending a wonderful time for half the summer, and coming back for something like $400. I had a fellowship of $1,000. It was big bucks. So, there I was, headquartered in Stockholm and having a wonderful time. There was a left-wing reporter down in Gothenburg whom I really thought I had to interview, so I flew down for the day. It was that kind of luxury that I had with my $1,000.

Q: What was the subject?

WARREN: It was why Norway and Denmark elected to become members of NATO and Sweden elected the opposite.

Q: How did you find Sweden at the time? They were lucky to stay out of World War II. They had cooperated rather closely with the Germans much to the dislike of the Danes and the Norwegians.

WARREN: Sweden was a curious place. It was very interesting. I got very closely wired in with a kind of stormy petrel of Stockholm. There was a great owner of a great newspaper there called "Dageus Nyhater." His name was Torsten Tingsteen. But I got very close to them. Then I had to get close to, although they were not so interesting, the old Social Democrats, who had been in power for a long time and who were absolutely dead from the neck up. They really were. I didn't disagree with the Swedish view that they should remain neutral in the Cold War. I felt that that was a rather sound strategic decision. I did, however – and this was my thesis – say that they arrived at the right answer by the wrong means. They simply said to themselves that they had been neutral for 150 years and they were going to remain neutral, end of thought.

Q: How receptive were the Swedes to having a young American college student there?

WARREN: The Swedes are blond and blue eyed for the most part. I was blond and blue eyed. The Swedes were madly American at that time, very pro-American, so much so that if you were a young Swede and you wanted to make out with the girls, you put on a Hawaiian shirt, you cut your hair with a buzz cut, and you talked English with an

American accent (They were very fluent), pretending you were an American. That way, you would pick up the girls. I found, being blue eyed and blond, that I had to produce my passport to prove that I was actually an American. So, I had a very good time.

Q: When you came back, how did your college life end? What were you pointed towards?

WARREN: It was a career in the international world, in what form I couldn't say. But when I got back in September at the end of this summer, '49, I started to work immediately on how I would get myself back to Europe after graduation. I came back and forth to Washington. The place that most intrigued me and looked like the better possibility was the Marshall Plan. Indeed, one week after I graduated, in came the letter from the Marshall Plan saying, "You are appointed to Greece as an economist analyst, FSR-11 [about as low as you can get], salary of $3,570 per year."

Q: A pretty good salary. When I was at Williams at the same time, the CIA was doing rather intensive recruiting.

WARREN: They passed me by. I wasn't aware of what they were doing.

Q: To get yourself ready to go to Greece, did they give you any training?

WARREN: Put me on an empty plane. Korea has just broken out.

Q: August of 1950.

WARREN: The air crew on that plane were larger in number than the passengers. People were afraid of World War III. People were going the other way.

Q: You arrived in Greece when?

WARREN: August 1950.

Q: The war started June 25th. What was Greece like when you arrived?

WARREN: Greece was a very poor, hard scrabble country at that time. It had barely terminated the civil war. The reconstruction of the wartime damage to the economy, which was very severe, had only just begun to be visible. It was not a country of the kind of grinding poverty and social structure that you find in the Far East or Southeast Asia or Latin America. There was a dignity to everything. Even poverty. It was palpable. Nevertheless, it was hard scrabble and very close to the vast in terms of viability. We were still at that time providing 2/3 of the foreign exchange requirement of the country. Greece's total outlay in foreign exchange at that time was roughly $400 million. We were providing $280 million of that, the balance being their own, shipping remittances, exports, emigration remittances, etc. So, it was still a formidable dependency on an external patron.

Q: You were an economic analyst. What did you know about economics and analyses?

WARREN: Nothing.

Q: That was the rather I suspected. What did they do with you?

WARREN: They assigned me to the Finance and Program Division. I performed a variety of odds and ends of analytical bits and pieces. Eventually, I gravitated to something which required a huge amount of analysis and discipline and work and which I made more or less my life out there, which was the import program. This was programming all of the imports for the civilian economy plus the non- military- hardware requirements for the Greek armed forces. Programming all of that and analyzing it, finding out what the real needs were, separating the pepper from the fly-specks, and trying to do the most rational job one could of investigation and analysis and then development of actual programs. About a year after I came to Greece, roughly the summer of '51, there I was in charge of the Greek import program. It's astonishing to me that at age 24 I should be holding down such a responsibility.

Q: What was your impression of the Marshall Plan structure in Greece?

WARREN: It was a huge mission in which there was replicated almost every aspect of Greek society – the Agriculture Division, the Export Promotion Division, the Labor Division, the Civil Government Organization and Methods Division, the Public Health Division, the Mining Division, the Construction Division, the Power Division, etc. There were between 180 and 220 Americans, specialists who were the core of each of those divisions assisted by clerical support staff, interpreters, and local specialists, some of whom were very good.

Q: Here is a country that's been ravaged by war, but it's not like going to Nepal. These were people who had been part of Europe and here is a 22 year old kid coming in. There seems to be a misfit. What did you have to offer that they didn't have to offer?

WARREN: Assiduousness, nothing more. Concentrating on the task. Also, it was the Greek government's job to try to get from the U.S. the maximum amount of aid in any given fiscal period. That was their job. It was *our* job to see to it that they didn't pull that particular wool over our eyes. We had to be just as smart, maybe smarter.

Q: Part of it was checking on accountability? Or were you more in the ordering side?

WARREN: There was an end use group in the Controller's Department who would investigate to see to it that indeed the spare parts that were brought in for bus bodies were indeed used for that end; to see to it that the refrigerators that were brought in to IKA, the social security administration of Greece, for up-country clinics to store antibiotics, that they were used for that purpose and not to cool water for the headquarters staff, that kind of thing. I was privy to those reports and could use those as parts of my analysis of what was required so that I could try to keep an eye on such things as excess stockpiling of

items.

You have to look at that Marshall Plan experience as a couple of different things. I mentioned this kind of bargaining relationship between one government and another in which it is their task to try to get as much as they can. If it meant stockpiling stuff against a rainy day, so much the better. All of our statutes and guidelines ran in the opposite direction, that the stuff was to be used, it was to be used for the purpose declared, it was to be used for socially and economically viable projects, etc. That was one level.

At another level, you had a whole different set of dynamics. You take a guy out of the Kentucky Agricultural Extension Service or the California Irrigation Service and you match him up with his opposite number in the ministry of agriculture or communications. All of a sudden, you have an equation in which 1+1=3. You had this terrific drive of the Greek to get something done combined with the American, who's got an equal drive to get something done. The American has the money. So, you have these two guys working together producing something. My god, they did! So, while my concentration really was on what you would call the flow items, items required to keep the economy on an even keel, you had technicians in the American operating divisions who were working with their opposite numbers in the Greek government who were producing the agreements and the implementation of those agreements to put in place the reconstruction projects and then beyond that the development projects. The PPC, the Public Power Corporation, was an American invention. It was a transmogrification of TVA and the New Deal experience into Greece. It was American-invented, American-conceived, American-managed, American-set up, and then handed over after this extensive training period to Greek management. It was a brilliant operation.

Q: You were doing this for how long?

WARREN: Four and a half years.

Q: How did you find the high command of aid on the American side?

WARREN: The first mission chief was Dwight Griswold. He had been the Republican governor of the state of Nebraska. He behaved in Greece very much like a governor and sometimes that didn't go over just right. He got into a terrific fight with the then ambassador, who was an angel, Lincoln McVeigh, a marvelous person who was not a streetfigher. Griswold beat McVeigh, forced him out. Then Griswold departed after he had been there a year and his place was taken by an investment banker from Chicago, John Nuveen, who equally got into a fight with the Embassy, which was then under Henry Gray. The problem was in the terms of reference of that mission chief's assignment. If you go back and look at the letters that were sent under Marshall's signature to Dwight Griswold, it's just filled with fuzzy, bureaucratic words that were bound to cause trouble – words like "coordinate." What is "coordinate?" It's just bound to lead to trouble and it did. If both McVeigh and Griswald had been equally angels, they still would have gotten into bureaucratic turf wars. Their successors were bound up in the same fight. Finally, it did emerge that the ambassador came out – this would be at the end

of Gray's tenure – as chief of mission in the diplomatic sense and reporting to him would be JUSMAG and the head of the American aid mission in a country team structure. But it took three or four years to work that out. There was a lot of cost to making that.

Q: Was the civil war going on at all when you were there?

WARREN: It was over. There were still signs of it. There were a couple of places where you had to travel by convoy. There were a number of villages in my personal experience that still had local militia, but the civil war was over.

Q: How about Greek counterparts? Did your job have a Greek counterpart?

WARREN: The counterpart of the Finance and Program Division of the mission was the Ministry of Coordination in the Greek government. There was your counterpart relationship. When you were in Greece, you may recall names like John Pezmazoglou, who had been deputy governor of the Bank of Greece, a very able economist, very good, who when you would have heard his name was in exile up in Grevena, sent there by the colonels. John was Permanent Under Secretary of the Ministry of Coordination when I knew him, assisted by John Lambrukos, and Niko Kyriazides. These would be approximately the three guys that I would be working with. They would present their estimates of the balance of payments for the coming year. We would present ours. Bob Paige and I, Ed Tannenbaum and I, guys like that.

Q: Did you have an economic specialty backup team in Washington or somewhere where you could call upon them when you were getting over your head in matters?

WARREN: There were several aspects to this. Number one, in the Marshall Plan organizational chart, it should have been that the mission in Athens would report to Paris to OSR or SRE, the Office of the Special Representative, which was the regional subheadquarters for the Marshall Plan in Europe. It was run by Harriman and Milton Katz. Our line of authority should have been from Athens to Paris, Paris to Washington. So, there should have been somebody looking over our shoulder in Paris. However, Greece - under the so-called Truman Doctrine - preceded the Marshall Plan by a year. That communication was direct from Athens to Washington. So, that kind of direct Washington-Athens, Athens-Washington communications relationship kind of continued even though bureaucratically we should have been reporting to Paris. The real center of gravity for us was not Paris; it was Washington. There, some very interesting things happened. In the summer of 1951, the young man who was then on the Greek Desk - and he had been there for a couple of years - Frank Mahon, had been long enough in the headquarters to have achieved a measure of respect and authority. Along comes another guy who is somewhat older than Frank and with a different kind of experience. He comes out of the mission to Rome. He is a native Venetian by birth. Victor Sullam. Vic Sullam was something to see in action! He was sharp as hell. He was charming when he wanted to be charming. He was mean as a billygoat when he wanted to be mean as a billygoat. In the perseus of Frank, who had achieved considerable stature by that time at the Marshall Plan headquarters, and with the inspiration of Vic Sullam, the headquarters began to look

very slant-eyed at the whole network of Greek and American programs that were sponsored by the Greek government and our mission in Athens together. They began to say, "Hey, we have met the enemy and he is us." They were the real authors of something called the Greek Stabilization Program in which they said, "No more of this fooling around. We're now getting serious about something, the provision to Greece of a currency in which the people can believe, the drachma. No longer the gold sovereign." They enlisted the help of a wonderful guy named Ed Tennenbaum, also deceased, who was the author at age 25 as a young Air Force lieutenant of the German currency reform of 1948. You know what that means.

Q: That was a turning point in Germany.

WARREN: Absolutely. Both of those things. He did it at age 25. It was not Earhardt. Earhardt was informed after the fact. Ed Tennenbaum than was sent to the mission in Athens as the principle economist. The then mission chief was gently retired. That was Charles Lapham, a nice guy, a former mayor of San Francisco, a political appointee. His place was taken by Leland Barrow, who was a good technician. He was not a personality type. So, the new religion was the Stabilization Program. It really turned things upside-down. It created a revolution inside the mission. It was powerfully resisted by every one of the operating divisions. It meant the end of their program.

Q: Their rice bowl was being broken.

WARREN: Yes. I quoted in that paper of mine this heartfelt cable by the chief of mission, by Lapham, in the middle of this battle, in which he says, "I'm taking my fireman's ax and I'm going to chop down the house which we have constructed. I've received my orders." It's a passionate cable. It exemplifies the extraordinary fight. The Embassy participated in this fight. It lined up against the Stabilization Program and in support of the operating divisions of the mission. Ambassador Peurifoy, Yost, Anschutz, Harry Turkel. A terrific internal fight. Peurifoy actually tried try to get the two guys on the Greek desk in the headquarters of the Marshall Plan here fired.

Q: Did you feel that you were part of "them and us" – Marhsall Plan versus embassy?

WARREN: Oh, yes. It was fierce.

Q: I am told that Greece was one of the prime examples where everybody went to the head of the Marshall Plan… You'd have a reception and the ambassador would be sort of bypassed and the Greeks would all head to the Marshall Plan.

WARREN: Oh, sure. That's where all the money was.

Q: Also, did you find that you were living a different style of life?

WARREN: Yes. The Embassy was dealing with the Ministry of Foreign Affairs with its old way of doing business. The Ministry of Foreign Affairs was dealing with the

Embassy. Here we were, in the mission – the Ministry of Foreign Affairs? What's that? We deal with the Ministry of Coordination here, the Ministry of Agriculture there, the Ministry of Industry here, the ministry of power over there. We were resented by the ministry of foreign affairs of the Greek government. We were at various times in a state of guerrilla warfare with the American embassy. Some of the memoranda and cables sent by the Embassy to Washington at that time were really designed to pull the rug out from under the Mission.

Now, we in the Mission were engaged in the stabilization exercise. It was radical. It was strong medicine. As it happened, it worked, and it worked brilliantly. But it scared the starch out of the embassy, it really did. They were afraid of it. It was too radical for them. It made them very nervous. Peurifoy put his career on the line on this one. Some minor accommodations were granted to him. It was a big fight.

Q: The Greek political structure is very personal. This is not you're a Democrat or a Republican. You belong to what amounts to tribal chieftains and you follow somebody. These are not broad-based political alliances. They are personal based and fairly close. So, you end up with all sorts of deals made. You have a lot of money to play around with. Greeks have always been businessmen. I would think you would have to take that line "Beware of the Greeks accepting gifts." It must have been a hell of a… It's not just that we had a program, but you were talking about people dealing with this.

WARREN: You have to remember something special - the Greek secret weapon. The Greek secret weapon, and I mean it not entirely as a joke, is an uncanny facility for making *his* problem *your* problem. It made the Americans who were involved passionate advocates. If you were the mining engineer in the Mission, by God, nobody was going to cut down your mining program because that was the way you were going to save and uplift these poor peasants who had been downtrodden and put in the dust and you became passionately involved in that. Well, the Embassy became passionately involved in maintaining the level of economic aid, without radical transformations, in the same way that we became radically committed to the Stabilization Program as a way of saving Greece. It was very emotional, it really was.

Q: Did you find that Greek politics intruded at all?

WARREN: The Greek government was always in those days changing. At least the cabinets were changing. The governments were kind of in and out. People were taking turns at being ministers. So, Greek politics did intervene in that sense. It meant that if one were working on a project or a program, particularly a program involving tax reform or governmental organization and method, where there are a lot of toes that get stepped on, our specialist would be working with the Greek government specialist. They would be moving back and forth and both of them reporting to their respective ministers and the minister talking to the chief of mission from time to time and bringing the Minister of Coordination in. Things would be kind of moving toward a resolution. They would take time. Then the government would fall. The guy is out. The minister is out. You'd have to start all over again. So, in the Mission, cries of maddening frustration at this kind of delay

were the usual pattern. Yes, politics was intervening and obstructing the progress of these programs. We wanted to reform the world by Saturday night and it wasn't getting done. Equally, the program ran into political opposition because it stepped on toes too violently in an economic sense. So, we were proposing closing of certain tax loopholes and the guys that benefit from those tax loopholes have a direct access to principle FSNs in the Embassy, to the Minister Counselor for Economic Affairs, Harry Turkel, and Harry Turkel goes to the embassy and says, "These guys in the Mission are pushing for something that's crazy and is going to cause trouble." Yes, there is a lot of politics involved.

Q: Sometimes when we come in to do something, at a certain point, you say you've got to brush the Greeks aside and say, "We know what to do and we're doing it." I saw this when I was in Vietnam. We tend to take over.
WARREN: When were you in Vietnam?

Q: '69-'70.

WARREN: I was there in '60.

Q: Was there this attitude?

WARREN: By and large, the guys that we had in the mission were good, able men who had a kind of a New Deal reformist zeal. They caught this Greek bug, they got onto the Greek secret weapon, and so they wanted to do something. They knew they had money behind them.

Q: What about the Greek shipowners, Niarchos and Onassis and others, and maybe others of their ilk?

WARREN: The Greek shipowners first of all were really only marginally members of the Greek economy. Their assets were floating assets off in the ocean. The Greek government was fooling itself if it thought it could reign these people in and glob onto them. We were equally wrong in going along in the parallel from time to time in that belief. So, if you treated them as floating assets somewhere in the world and looked with approval upon their occasional remittances of some money to pay for salaries and pensions and victuals and things like that, well and good. But if you tried to make them an integral part of the economy, you were simply courting trouble.

Q: Was George Papandreou much of a factor while you were there?

WARREN: George Papandreou, the old man, was a ridiculous figure. He was Minister of Coordination for a good part of the time I was there, but he was a silly and ineffective minister. He ran his affairs as if he were a provincial chieftain in the Mani. If you had a serious matter to discuss with him as minister and there you were with your chief of Mission and you had an appointment to talk about monetary policy with him, you'd find his anteroom filled with old widows who were trying to get some money from the

government to replace their donkey which had fallen off the cliff.

Q: How about the king? There were two kings.

WARREN: There was Paul… I think the Americans probably made a mistake in believing that the royal house in Greece could ever make itself a permanent part of the structure there. I think that King Paul and Queen Frederika for a while did a commendable job of boosting morale during the civil war and during the early reconstruction phases, but I think that as the American aid program succeeded in the Stabilization Program and as the Americans then on the basis of that success began to withdraw, the vacuum was rather quickly filled by an ambitious Frederika and that got them into trouble because you cannot be a permanent institution of you play a political game in which you are possibly going to be at the wrong end of the confidence vote.

Q: When the Eisenhower administration came in in '53, people were being Stassenated.

WARREN: As I read the newspapers today about the George Bush administration, I am reminded of the year 1953, in which Eisenhower accompanied by such people as Stassen came in and there was a palpable loss of direction and policy surely for the first six months, no question about it. Palpable loss. The problem is, the Republicans come to power so rarely in Washington in the White House that they tend to believe their own campaign propaganda. They start to act on the basis of that and then they get themselves into a jam. One of Stassen's first acts coming in as head of the Marshall Plan was to subject everybody in the headquarters to an intelligence test. He fired those who got the highest mark.
Q: There was a certain percentage cut.

WARREN: Yes. In that first six months, I can recall very clearly there was a palpable sense of loss of direction.

Q: We're getting close to ending this session. For your job in Greece at that time, what was the end game for you?

WARREN: I would say that the Stabilization Program started in the fall of '51. It ran for a year and a half and culminated in the devaluation of April 1953. On the basis of that success, the aid program was cut back because it wasn't needed and by the summer of '54, it was very clear that that chapter had come to its end. I could see that my work was finished. I was no longer necessary. The Greek government was perfectly capable of doing it all itself. The principles of the stabilization exercise were now burned in blood on the foreheads of the key guys who would run the economy for the next 12 years. It was time for us to retire. It was certainly time in that circumstance for me to retire. I moved back to Washington. I was in Washington for six months and decided that that was the end of my government career. I quit and went up to New York.

Q: Okay. We'll pick this up the next time in 1954 when you left the government.

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Today is July 2, 2001. You left and went back to New York when?

WARREN: I returned from Greece about Christmastime 1954. I was then assigned to the program office of the Marshall Plan headquarters. I remained with the Marhsall Plan agency, which changed its name several times during that period, until June of 1955 when I left to go up to New York.

Q: You left the government then. What were you doing in New York?

WARREN: I joined a new outfit. It actually had not yet opened its doors for business. It was called the American Overseas Finance Corporation. It was the brainchild of David Rockefeller and the then Secretary of the Treasury, George Humphrey. They had mutually proposed to put the Export-Import Bank out of business.

Q: You were with this organization from when to when?

WARREN: Not very long. I joined in June of 1955 and I resigned in September 1956.

Q: What were they doing?

WARREN: They were supposed to be a private export-import bank, an Edge Act corporation, a coalition of five principal banks, the Mellon Bank in Pittsburgh, Joe Dodge's Bank in Detroit (I have forgotten its proper name), First Boston, Chemical, Corn, Chase.

Q: Heavy hitters.

WARREN: Very heavy hitters and with a board of directors that was so distinguished that they really could not get down to work.

Q: They never were around.

WARREN: As a result, they assigned their responsibilities for this new outfit to an executive committee composed of the vice presidents for international affairs from each of these shareholder but competing banks, competing so much that they did not wish to give to their stepchild, the American Overseas Finance Corporation, any significant part of their portfolio. I resigned out of boredom.

Q: What happened to this?

WARREN: It eventually kind of fizzled out and was absorbed by David Rockefeller's brother, Nelson, into an outfit called the International Basic Economy Corporation [IBEC], which was Nelson's Latin American oriented do-well-by-doing-good outfit.

Q: You were there when this effort was put together. Were they looking at essentially

Europe or Asia? Why was there felt to be a need for this sort of thing?

WARREN: There was at that time a burgeoning need for what you'd call medium term overseas project financing of a non-recourse character, non-recourse to the exporter. It was an export promotion base in its conception. It was also a private enterprise base in its conception. It was the not very well thought out brainchild of these two distinguished Republicans who really had not done their homework. They really thought that they were going to put the Export-Import Bank out of business. They woke up six months later to find that their principal competitor was indeed Ex-Im Bank run by a very vigorous and distinguished Kansas City Republican banker. Strategically, it was an abortion.

Q: While you were there, was this becoming obvious?

WARREN: It became obvious to me. I was the secretary of the Credit Committee and I was responsible for writing the minutes of the non-decision-making process.

Q: Then what happened?

WARREN: I quit. I joined an outfit that was fascinating, the Standard Vacuum Oil Company, a joint venture of Exxon and Mobil. It was a combination put together in the late 1920s by the Standard Oil of New Jersey, Esso, and the Standard Oil Company of New York, Mobil, or Socony Vacuum as it was called then.

Q: Why Vacuum?

WARREN: Socony stands for Standard Oil Company of New York. Vacuum was the Vacuum Oil Company, each of these being parts of the old Rockefeller empire that had been broken up under the Federal Government's Anti-Trust Agreement. Vacuum was the specialist in producing lube oil. That was their strength. Mobil has always been very strong as a marketing company and then had marketing outlets throughout Southeast Asia and the Far East - service stations, coastal terminals, up-country warehouses, the works. Esso by contrast had the crude oil producing fields in Sumatra and the Palembang refinery without anything serious in the way of downstream marketing outlets. So, it was a good marriage when they were put together. It worked throughout the late '20s and '30s and survived the war and then came back into business seriously after the war. But increasingly, because of the very rapid growth in oil demand in Asia and the Far East, that logistical basis for the two firms getting together was eroded and increasingly the whole Far East became dependent upon the crude oil of the Persian Gulf. So, when the Justice Department suggested to the two companies that they were willing to drop the old oil cartel suit, which had been cooking for years, if the two companies would agree to break up Standard Vacuum, it was an easy decision to make on both sides. Besides that, the corporate culture of both companies was very different.

Q: Where were you? What were you doing when you first went on and how did things develop?

WARREN: I was with an outfit in Stanvac's headquarters in New York called the Economics and Planning Division. They were the analytical brains of the corporation. The guys that I worked for were brilliant engineers turned economists. These were the days when the company was under enormous pressure in country after country as these parts of the world achieved independence from having previously been colonial pieces in an imperialist kind of mosaic. It was a difficult process in which the company had to deal with new nationalisms and new autarkical policies and had to move very swiftly in responding to these things. Well, the company was a big bureaucracy. It frequently did not move swiftly enough. Our job was to foresee some of these problems, address them in very specific terms, and often deal with crises in which the regional vice president would come in to my boss and say, "Oh, my God, Vim, we are in terrible trouble. You've got to help us." The next thing I knew, we would be holed up in some hotel room in Nairobi or Bangkok or Dar Es Salaam and we'd be batting out a refinery proposal to rescue a situation which might have been stolen away from us by Enrico Mattei of ENI, or some swift-on-his-feet promoter with connections to the local cabinet.

Q: He was sort of a shark patrolling around.

WARREN: There were a number of sharks in the water. We were a planning and analysis division but also in some respects a rescue operation.

Q: Did U.S. government policy or direction intrude at all?

WARREN: Very little.

Q: You were doing this up to the '60s?

WARREN: Yes. I was with Stanvac and then its Exxon successor company – still the Far Eastern, South Asia, Australasia, East Africa company – until Christmas '65 when I transferred back to Athens, where Exxon was starting up a new company.

Q: Were you watching how the British responded to these nationalistic pressures in the Persian Gulf area as opposed to ARAMCO's response?

WARREN: I surely was watching Shell, no question about that, to a lesser extent BP. Shell was a formidable competitor. My focus was not, however, on the Persian Gulf. My focus was in our area of operation, which was the Far East and South Asia.

Q: But in a way what was happening in the Persian Gulf was sort of the Super Bowl of the petroleum… The nationalization threats and how these played out…

WARREN: Yes, it was the Super Bowl in the sense that that's where the serious, very large volume, very heavy investment was located. That's where the most serous profit potential was, where the crude oil resources were, where the ultimate profitability projections had to be protected, yes. But that was not our responsibility. I can recall attending on behalf of our company an Arab Oil Congress in Alexandria, Egypt in 1961,

but that was really as an observer and particularly an observer with some background by that time in the games played with Soviet oil in Asia.

Q: The main source would be Indonesia, wouldn't it?

WARREN: Indonesia had been the main source for Asian markets, the main source of crude oil and the products refined there in Sumatra. But the demand increased so rapidly that the availability of crude and product from Sumatra slipped more and more and more and the proportion of crude and product drawn from the Persian Gulf became larger and larger. So, Ras Tanura became more important to us than Palembang in Sumatra.

Q: What were the challenges and problems of the area you were involved in?

WARREN: There is no question, the biggest challenge was that here were one country after another having recently achieved independence looking to modernize themselves, seeing oil refineries as a symbol of modernity, seeing the substitution of crude oil imports for product imports as a balance of payments strengthening device, and who wished to incorporate both those economic gains and those development gains and those prestige and modernity gains in the form of a refining enterprise on their territory. This is what every country in the area wanted, whether it was Thailand or Ceylon or India or Malaysia, Tanganyika or the Philippines, even South Vietnam.

Q: It was the equivalent to steel mills.

WARREN: Absolutely.

Q: These are the white elephants that have gone up all over the place.

WARREN: Everybody wanted his refinery. Every time they hinted to the company, the ministers concerned, that that was what they wanted, the company would kind of edge away from the subject because they knew that if they built an oil refinery in country X in Southeast Asia – say, Port Dixon in Malaysia – this would back down refining capacity which existed in Ras Tanura. Why would one poison one's own well? Why would one inflict this kind of penalty on oneself?

Q: Ras al-Noor was the principal oil refinery in the Persian Gulf in Saudi Arabia.

WARREN: So, the conservative bureaucracy of the company and its two parent companies would look with disfavor upon projects which simply duplicated capacity which already existed. What they neglected in this was the realization that if they didn't do it to themselves, somebody else would! Indeed, that is exactly what happened in country after country.

Q: How would this play out? You were sitting in Thailand and you don't need a refinery. Who would come in and build a refinery?

WARREN: It could be Philips that had become a participant in AIOC, the Iranian consortium that was put in place after the collapse of Mossadegh. It could have been Indiana, who was similarly placed. It could have been one of the new participants in the Trucial States discoveries. It could have been Enrico Mattei, the Italian combine, who wanted to punch the seven sisters in the eye in any event.

Q: Would these be the major leaders? Would it make sense for another outfit but not for the big ones?

WARREN: The big ones had a particular problem. Roughly speaking, the market would have been characterized in approximately these percentage terms. I'm speaking as a generalization for all of Asia, Australia, New Zealand, up in Japan, etc. Shell probably had 40% of the market. We probably had 25% of the market, maybe 30%. Caltex would have come in and filled up half of the balance and maybe there were one or two others who would be tailing along in single digit figures. If you looked at the size of the total petroleum market in any one of these countries and multiplied it by your share of that market, you would have come up with a market demand which was not big enough to justify a refinery. That meant that in more cases than not, what you had to have was an *industry* size refinery, a refinery big enough to supply Shell and Stanvac and Caltex and anybody else who was established there. That meant that they had to come down here to Washington and get a letter of approval saying that this was not in restraint of trade, that one was creating an industry facility whose output would be available to the competitive forces that were played out in the marketplace itself. So, you first of all had the complication of an industry refinery. You had to get approval from Washington. Then you'd have to get Shell on board. Chances are they had been pushing us. They were usually shrewder politically than we were and were well ahead of us, so it usually was not a question about pushing Shell; it was a question of their pulling us. Then you'd be off to the races with a refinery proposal. I can recall that we raced into a little country in Southeast Asia called South Vietnam. I was involved in the negotiations with the government in Saigon in 1960. It was just when the whole situation under Diem was turning rotten. You could feel the dry rot in the city itself. It was in the days of the Dragon Lady and the Diem family. But we were negotiating with a handful of brilliant, French trained senior civil servants. Vu Van Thy was an example. Terrific and tough. These were the days when crude oil was in serious surplus and was discounted everywhere. They read the newspapers, these guys, and they weren't about to let us get away with some colonial contract.

Q: Did you find that the American firms for the most part were a little ahead of the game of Shell or ones that had the old imperial contracts, a little more forthcoming?

WARREN: I'd like to say that we were ahead of Shell, but I don't think I could. I found Shell both my toughest and my shrewdest competitor. In terms of vision as to what was going on in country after country, in terms of translating that vision into strategy, into personnel policy, into general comportment, they were bloody good. They read classics at Oxford, the general managers.

Q: How did you find working within the oil business? What was your impression of American oil management?

WARREN: Apart from this blindspot which I alluded to, their stubborn antagonist toward coming up with timely solutions to the new and powerful economic nationalism of these formerly colonial countries, apart from that, they were good. They were well-informed, very sharp with their arithmetic, and they comported themselves well.

Q: Was there a strong degree of risk analysis?

WARREN: That was very much a part of it. For example, for us to persuade the Standard Oil Company of New Jersey to invest in an oil refinery in 1960 in Southeast Asia was tough.

Q: Why would you want to?

WARREN: To protect our market. If an outsider came in and built an industry sized refinery, we'd be drawing our product for our service stations from Philips or Indiana or Enrico Mattei.

Q: You stayed with this analysis unit? It sounds fascinating.

WARREN: It was fascinating and we were in a period of great change in that part of the world and we had to keep up with that change and be ahead of that change. I could tell you some anecdotes.

One day, my boss came into my office with a long face carrying some huge document under his arm. He said, "Jim, what are you working on that's very urgent?" I said, "I'm not on anything super urgent." He said, "Good, you're going to Japan the day after tomorrow." I said, "What's going on?" He said, "We are dead in the water. I know Japan. I grew up in Japan as a missionary child. I know the Japanese. Our parent company, the Standard Oil Company of New Jersey, has an economic and planning department which has just produced this document which proves conclusively that the structural problems of Japan are so great that the economy is not going to expand at a rate of higher than ½ of one percent per annum for the next 20 years." This was 1958. He said, "Jim, you've got to go out there and prove that they're wrong." I did.

Q: What would have led them to this?

WARREN: Their view had fastened on the problems that did exist in Japan. They didn't know the essence of the place as my boss did. So, they did this two dimensional analysis and they came to a very pessimistic conclusion. This was 1958. Japan hadn't taken off quite yet.

Q: No. The Korean War had given it quite a jolt.

WARREN: Absolutely. The Korean War was the basis on which they rebuilt their whole platform. I was there for three months.

Q: In a way, you're talking about a hidden structure, how things worked.

WARREN: You'd try to smoke things out. One of the things that you'd do in a circumstance like that is, you're trying to plot economic growth, the impact that it has on demand for energy, and you're trying to plot the components of that energy stream. One of them is coal, a very big item in the competition for under the boiler fuels. If you cant sell enough fuel oil, you then have to change your refining design to crack that stuff into the lighter fractions. It affects your design, investment pattern, etc. So, we had to find out what was going to really be the future of coal in Japan. I'd look for the source of t heir coal mine financing. With my assistant, whom I recruited and brought into the company at that time, a brilliant young economist, we laid on a lunch in one of the fanciest geisha houses on the banks of the Sumeda River. We took out to lunch the banker in the Japan Development Bank who was the principal guy lending the money to the coal mine. I guess we spent five hours and found out a lot. We made our forecast for coal. But the other thing is that, when I went out there, I went out with a couple of things. One was my boss' very clear sense of the nature of the Japanese, this tremendously hardworking nation of people. The other was that there I was, sitting on the edge of a volcano that was about to erupt. You could feel it. Economists don't know anything, but if they've got some sense of the third dimension, they can do a lot. Don't ask me to comment on Mr. Bush's energy program.

Q: Alright. Two other elements. India, where they suffered from London School of Economics disease and when everything has to be produced at home [autarchy]. Here is a huge market. Could you deal with that?

WARREN: We did. India was one of the most difficult and most unpleasant markets to deal with. The Indian government was a nasty outfit to work with. I don't think I'm saying anything different from that stated by the World Bank. The World Bank has done some studies that would tell you that the slowest rate of economic project development approval is that manifested in India.

Q: Too much bureaucracy…

WARREN: Yes. Trying to get 101 cents on the dollar and trying to one up in endless bureaucratic hurdles from a starting point which is essentially anti-colonial, anti-imperialist, anti-free market, intensely touchy and defensive, and kind of fundamentally socialist.

Q: I put my finger on the London School of Economics, with the Fabian socialists. It seems that they have been more of a pernicious influence than Marxism has throughout the ex-colonial world. The British, and to some extent the French, have themselves to blame for that.

WARREN: Right.

Q: How about corruption? This was before we had the Corrupt Practices Act. An awful lot of people were out there running governments where they were trying to skim off everything they can. I would have thought that as soon as an oil company would come by, they would have a tailor enlarge their pockets.

WARREN: Corruption is very much in the eye of the beholder. It is very difficult to pin down how much does it really exist, to what extent is it absolutely necessary as a grease to move the wheel? I would say that in the oil business, by and large, it was petty corruption that assisted one in this and that, in terms of licensing for a service station or finding out a little bit about what one's competitor was doing. I could buy copies of a competitor's crude oil declarations to the custom's authority in Manila and things like that. But in places like Bangkok, where corruption was just out of sight, you find the oil companies rather retreating from the scene and other entrepreneurs getting in there.

Q: Did you run across five percenters, deal makers?

WARREN: In the competition for these refineries that I was speaking of, not infrequently, the impetus would be a guy who had no particular affiliation with any oil-company.

These guys would kind of smell out a situation in which a government minister or indeed a whole cabinet would want a refinery. Where the major oil companies had been very slow to pick up and do something about that. He would be a five percenter and he would contact some crude oil supplier and see what he could do on his own, expecting to lay out very substantial sums in terms of commissions and bribes to people that he knew in the government and at the same time get some kind of advance from the prospective crude oil supplier. I think that in the majors, that kind of thing was too visible. A greenhouse. I think they couldn't afford it.

Q: How did you find the Italians and the French? They were real opportunists. Did you have to worry about them nipping at your heel?

WARREN: Absolutely. CFE would turn up in a market where they had never been represented promoting a refinery project. ENI would be the same. Philips. Indiana.

Q: But could they produce? You can be clever as all hell, but at a certain point, you've got to produce a refinery and have the right lines going into and out of the refinery.

WARREN: Yes. And it's got to be properly engineered and be safe.

Q: And you've got to have customers.

WARREN: You didn't need to have customers the way they saw these things. Let's take Vietnam as a rather extreme example. You have a market of perhaps 30,000 barrels a

day, just barely big enough to build a refinery. Stanvac would have maybe 30% of that and Caltex 10%, and the balance would be Shell. When I say those were the percentages, those were the approximations of the participation in the market by those three companies in service station products, in industrial products, in aviation fuel… All these products were imported to these company's ocean terminals. If Standard Oil company of Indiana had come in there, they would have built an industry sized refinery and the government would have said to Stanvac, Shell, and Caltex, "You no longer import your products. You buy them from the refinery." That's what we were afraid of. More often than not, we had to come in at the 11th hour because the company had been slow in realizing how powerful was this kind of threat.

Q: You moved from this fascinating job to work in Greece?

WARREN: I was in Manila. I had gone out to set up in Manila an economics and planning unit for the refinery and the marketing company. In December 1965, after having been there almost three years, I was transferred to Athens to join this new company which had just been started called Esso-Pappas.
You were talking about Japan and the function of the Korean War in Japan. While I was in Manila, it was very clear to me what was about to happen across the water in Vietnam. I was very well connected at that time with what you would call Manila's economic intelligentsia, economic planning agency guys, the central bank people, the university, principal bankers. I was very well connected with them. Indeed, I even published an article or two in the Philippine Economic Journal at the time. I talked myself blue in the face about the opportunity that the Philippines had and the need to do something to be the warehouse and spare parts and R&R and logistical backup spot for what was coming in Vietnam. I got absolutely nowhere. They couldn't see what I was talking about. I kept saying, "look at the experience of Japan". Got absolutely nowhere. The Philippines wasn't even in Asia then. It really wasn't. It was much closer to Florida or Connecticut than Asia. There was no realization of what was going on.

Q: When you went to Athens, was this a regular assignment? Did you expect to stay there long?

WARREN: I rather expected to stay there a good length of time. I went there in part because I had been in Greece a full decade before and had been there for four years. So, I went back to Athens knowing something about the country and what it meant. This time, it was in a very different capacity.

Q: Was this '65?

WARREN: Yes, Christmas.

Q: You were there how long?

WARREN: Until Christmas '74.

Q: What was the situation as you saw it from a businessman's point of view when you got there?

WARREN: It was a hot new market. There was a booming economy. It was a fevered atmosphere politically, but I don't think that slowed anybody down in terms of developing these projects and making investments and making new plans. Fevered politically and a very hot little corner in terms of economic growth prospects.

Q: What was your role with Esso-Papas?

WARREN: I came in as an economic and planning walla and rather quickly became assistant manager of the marketing enterprise called Esso Standard Elas. Then in '68, I became General Manager of that.

Q: It was named after Esso Papas' brothers?

WARREN: Greece was Shell and Mobil country. BP had a modest role. Fina, the Belgian company, had a smaller role. Caltex was awfully small. Basically, Shell and Mobil country. Standard Oil of New Jersey (ESSO) had for years been trying to get into Greece. Never could. Never could develop the government relations that were essential to the issuance of the permits that were required. Finally, it succeeded in finding a way. One of the directors of Standard Oil of New Jersey, whose name was Bill Stott, turned out to have an old friend in Boston named Tom Pappas, a Greek-American, who was on the Republican side of the ledger. His brother, the judge, John Pappas was the Democrat. They covered both sides of the street. Tom was a charming and tough and unscrupulous entrepreneur in the Boston area. He had become friends with Bill Stott, who said, "You're going to get us into Greece" and he did. They made a deal with the Karamanlis government. The principal negotiator on the deal from the government side was Papaligouras, Minister of Coordination. But the government did not just roll over and play dead. They said, "If you want to come in here, you've got to build an oil refinery and a chemical plant and a fertilizer plant, etc., and they've got to be in Salonika." That was Karamanlis speaking.

Q: His strength was up in…

WARREN: He came from Serres. That's where his heart was. So, they said, "You're going to build an industry sized refinery and supply all of the marketers who come to you asking for product. And you're going to do it in Salonika." That was the deal. Along with the refining company, however, there was the associated marketing company and the chemical company. Tom Pappas was the *meson*, the inside fixer. Meanwhile, he had equity interest in this new enterprise called Esso Pappas. He was in due course bought out of that by the Standard il Company of New Jersey. He had a parallel interest in shipping and in tomato paste plants and other things, such as Coca Cola. It was a hell of a difficult matter, this partnership between a huge corporation with policies and procedures and calendars of regular reviews, the whole thing. Somebody would come in and say, "You've got to pay these bills," and he'd tear the bill in half, put half of the bill in the

bottom drawer, and tell his accountant to pay half of the bill. So, here was Exxon, this gigantic enterprise, married as it were with this single individual. It was not easy. A lot of people have made their careers in Exxon subsequently denouncing this deal.

Q: How did you survive in this?

WARREN: Happily, I got along well with Tom, who was a difficult person. You often didn't know whether he was pushing or pulling you. Of course, he acquired a terrible name during the period of the junta.

Q: The colonels took over on April 21, 1967.

WARREN: On April 21, Tom had not a clue as to who was in the junta. By April 28, he was on a first name basis with them. People would come into his office and say, "Tom, what's this I hear about you being associated with the CIA?" He would say, "Son, there are a lot of things in this world that one is simply not allowed to talk about." Off they'd go, utterly convinced. To this day, you will find that most historians and commentators and writers presumably of some astuteness refer to Tom as being in bed with the junta citing all the "benefits" that they granted to him. They granted me no benefits. Period.

Q: He was playing the political card quite heavily in the United States.

WARREN: Yes. He was the Republican part of the brotherhood. I dare say that the reports that he secured junta money which came across the Atlantic and was invested in the Nixon political campaign. Those reports are perhaps based in fact.

Q: He was involved with the Committee to Reelect the President, which is known as CRP. This was the '72 election. I was consul general there. I was told to deliver a subpoena to Tom Papas. There was an investigation. I talked to our ambassador, Henry Tasca, who said, "Oh, God." Then he arranged it so I went over to the Hilton Hotel. He had a suite there. I handed him this, smiled, and shook hands. I backed out of the room and left it at that.

WARREN: Tom was a difficult person, he really was.

Q: Was he just difficult to deal with or was he interfering? Sometimes the interference is the worst part if you're trying to run a business.

WARREN: Happily, I had very little, though some, interference from him, but not very much. Other parts of the business had a much more difficult time. In most of those years Exxon on had already bought him out of the oil business side of the operation, he still had offices two floors up above me. But he didn't come and pester me and insist on things in my area that I would have had to reject.

Q: I would have thought you would have had problems dealing with the group that is known as the shipowners, which is within its own organization. Did they intrude at all?

WARREN: The Greek shipowners are a very special part of the Greek economy. They're just not really a part of the Greek economy. We solicited Greek shipowners' on a worldwide basis, but the deliveries might have been in Dar Es Salaam or Singapore or Buenos Aires or almost anywhere. We might have had to go to a Greek judge to get a ruling fox impoundment on some bill that had been refused in Montevideo or something like that. That Greek shipowning community loved to exhibit their wealth and presumed power in the Athens-Piraeus community, but they were not really a part of the Greek economy. They were offshore.

Q: A lot of the ships ended up with Liberian or Panamanian flags.

WARREN: They were under all kinds of different flags. The Greek government periodically would make the mistake of imposing upon them various nationalistic laws, which did absolutely no good at all because the shippowners could easily slip the noose as they conducted a genuinely international trade.

Q: This brings a case to mind. I learned a great lesson in the time I was in Greece. You think of a military government being an effective government. I think the colonels was the most ineffective government I've ever run across. They'd keep making decrees and they didn't have the balancing of a legislature saying, "Hey, if you do this, such and such will happen." So, Papakos, who was Vice Prime Minister or something, would say that every foreigner had to pay a yacht tax" which had been in existence since the '20s but had never been enforced. He said, "Here, we'll just announce that everyone has to do it." Well, all the yachtmen went off to Turkey. Screw you. There were other things. How did you find operating in that atmosphere?

WARREN: They were a disaster. They were dumb cops, that's all. They weren't much worse than dumb cops. They certainly weren't any better. Again, if anecdotal material is useful to you…

Three incidents involving the junta in my operation. The first came six weeks after the coup d'etat. The colonels came to power April 21, 1967. In about the second week of June, maybe the first week, the Arab-Israeli War broke out. The new government in Greece was very nervous, having just consolidated power. All of a sudden, there is a hell of a conflict just across the water. So, they were twice as nervous. Exactly at that moment when my crew at the Athens airport was working 24 hours a day getting ready some new installations, I got a telephone call at 4:00 am from my aviation manager. He said, "Boss, we're in serious trouble. All of my men at the airport are in jail. They are being accused of treason and sabotage and they're up against the wall. They may well be shot." I said, "What the hell is going on?" He said, "An hour and a half ago, a bulldozer that was working on our excavations to put in the new tanks at the airport went through the central communications cable at the Athens airport." I said, "Dimitri, meet me at the office of our principal engineer downtown at 7:00." I went down and there was my aviation manager and the chief engineer. I said, "Get me all the permit documents." In Greece, you have to have a permit to do anything. The permit process is very elaborate and

complicated. You can be sure that everything is there. We were looking and looking and finally found the documents, the topographical map with all the permits and signatures and stamps, etc. I saw what I was after. I grabbed that and put it in a cardboard tube and jumped in my car and roared out to the airport to the office of Major Farmakoris, who was the new commandant of the Athens airport. He was not a member of the inside circle of the junta, but he was not far from the outer edge of that circle because you don't put somebody in charge of the Athens airport who does not have your confidence. He kept me waiting for an hour and a half. He knew who was out there, the general manager of Esso-Standard. Finally, I was admitted to his office. There he was, at his desk at the end of the room. He continued to go over his papers. Finally, he looked up and saw me and pressed his mad angry button and jumped up out of his chair and started to scream at me, "Sabotage! Treason! Esso is a company filled with communists!" He goes on further. I could only let him run his course. Finally, he finished his little theatrical performance. I said, "Excuse me, Mr. Director General, but is this your signature?" I handed him the documents. It was. He went white, threw me out of the office, released my men, and forever after was my enemy. That was my introduction to the junta.

Another junta story: We had a guy who worked for me who did not have a desk. He was our fixer, our expediter. Every morning, he would appear in the office. He had a little mailbox. We'd tell him which were the priority permit applications to push. So, he would then go around to the Ministry of Communications and the Ministry of Public Works and the Ministry of Health. He'd make the rounds all day long. He'd come back and leave a report for each of these. His job was to push and pull. He was also the guy who would get me in and out of the country without having to have my car and house sealed, things like that. In the month of May, he didn't have anything to do. All the permit applications came back, acted on, in the mail. In the month of June, some of those applications came back and he had something to do to go push the others. In the month of July, none of them came back in the mail and he had to go push all of them. This is the civil service of Greece responding to the directions of the colonels. In July, a visitor came to my office in civilian clothes. My secretary brought him in and introduced him to me and gave me his card. It was Major So and So. He told me that he had been assigned to the Ministry of Commerce and that his particular competency, the area of responsibility, would be petroleum products and the distribution thereof. He wanted to meet me and introduce himself. Toward the end of the conversation, he said, "And, by the way, my nephew has a tank truck which is not under contract at this momen"t. It took from April 21st until mid-August and we were back to the old system.

One final anecdote. Because we held the contract of the U.S. Defense Department at the Athens airport, we were looked to by the Greek government to assist them when it came to the annual NATO exercises in August. Every year, we would ask the Hellenic Air Force what were the NATO plans for the exercises and we would be told, "Those are cosmic and you're not cosmic, so you cant have them." Then I would get a hold of Gus Frances, who was our NATO liaison officer at the time. I'd say, "Gus, it's time for you and me to have lunch." We would go and have lunch and I'd say, "Gus, you don't want the exercises to fail, do you?" "No" "You know, they represent probably a tenfold increase in the daily demand for jet fuel. This is interplane service, not just bulk delivery.

So, we need to know something about the flight patterns." So out would come a napkin provided by whatever restaurant it was, and we would write down the necessary data for us to do our planning. Of course, we'd get all set up and go for it. This particular exercise was concentrated at Nika, the airport up in Salonika. It meant that we would have to borrow the Hellenic Air Force's tankage at the airport with their pumping facilities and put our product into their tanks, which we did. This was jet fuel. Then the Belgians and the English and French and everybody else's planes would come roaring in and we'd refuel them. Just at that moment, Congress in a fit of pique, cut off some element of the military aid to Greece because of the misbehavior of the colonels. I think it may have been military spare parts. Papadopoulos was so mad that he was going to fix those bastards, namely Washington and NATO. At the very last minute, at about two days before the NATO exercise was to start, an order came down from him to take away those tanks that were going to be used in the NATO exercise! He was going to sabotage the NATO exercise. What he didn't realize is that the guys working for me were Greek. When you tell a Greek, "Dimitri, I know this is impossible, but by Saturday night, we have to…" he rises to the occasion. He does the impossible. And we did. There were two or three examples of our dealings with the junta.

Q: Did you feel the pressure from the U.S. through your home offices? The colonels, deservedly so, did not smell very good. Particularly having an autocratic regime in Greece of all places, where democracy came from, were you getting pressure from stockholders, the home office, saying you had to do something and make gestures?

WARREN: If there were any such pressures, they were choked off in Rockefeller Center. I never heard anything like that. I recall that on one of those occasions, in one of those junta years, we were under very powerful pressure from the junta itself to contribute something to a 150th anniversary of the 1821 revolution (Greece's War of Independence). There was to be a big junta push on all companies of any magnitude. Each company was supposed to do something in the name of this 150th anniversary. I got a hold of the advertising agency and we produced a phonograph record which was the readings in Greek from the works of General Makriyannis, an illiterate hero of the Greek revolution in 1921 who later learned Greek formally so that he could write his memoirs, which are absolutely wonderful. It's a kind of peasant poetry. It's read by Monos Katrakis, who was a terrific actor with a great voice and with a background of the most famous santouri player in Greece, Aristides Moskos. We produced this record and gave it away at our service stations. If you filled up your tank, you got a record of this 1821 thing.

Q: Were there present political implications regarding the 150 year independence?

WARREN: It was a terrific record.

Q: You left there in '74. What did you do?

WARREN: I left Exxon, resigned before my time and came back to the United States and went to work for the president of Bates College in Lewiston, Maine. I guess I was worn

out at that time. I had worked like hell for eight years.

Q: That circuit you were on was pretty rough.

WARREN: Greece was rough. We started out losing money. We were losing $1 million a year when I became general manager. We had to work ourselves out of that. We eventually did, but it was six days a week, 10-12 hours a day, maybe a little more. I was just bloody well worn out.

Q: Did Bates remove you from the international circuit?

WARREN: Yes.

Q: How was Bates? I went to Williams. Bates was part of the small Ivy League college circuit.

WARREN: Terrific school. I enjoyed Maine. I enjoyed the winters in Maine. The president was a brilliant guy who had a good, unorthodox sense of what the school needed, and turned it around. I was working very closely with him. After five or six years of that, I decided it was time to go back to New Jersey, where I had a big old property, and did some things with that.

Q: This has been fascinating. It gives a different view. This is a foreign affairs oral history program and to capture the approach from not only the Marshall Plan but also of an oil company dealing with difficult problems.

WARREN: The Embassy in my experience in Athens in business played no role at all in my life. Tasca at one point made an effort to kind of reach out to the American business community. It was kind of phony. You cant do a couple of receptions and think that you're doing anything. I really had very little connection with the Embassy. My closest connect was through the American school. I was told that it was my corporate duty to go on the board. I said, "What do I have to do?" "You have to run for election." I said, "Come on, I'm busy. I cant run for election." "Don't worry about it." I did. It was a time when the Navy was engaged in this misbegotten called "home- porting," a disaster. The Defense Department's educational bureaucracy saw the Zumwalt home port project as their opening to destroy this vicious and rival called ACS [American Community School].

Q: An excellent school which also absorbed the American military kids. The military didn't like that.

WARREN: They didn't like it. It was sour apples because it was the longest running and largest anomaly in their system. The members of the military community would come to me. I was president of the board. They'd say, "Mr. Warren, our boss out at Hellenikon has told us that we've got to vote against you next week, but we want to tell you that we hope that ACS maintains its independence. Our kids have had the best education

available. We've been to nothing but Defense Department schools all over the world."

Q: I want to thank you very much. This is great.

End of interview