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

W. ROBERT WARNE

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INTERVIEW

Q: Rob, let's start kind of at the beginning. Could you tell me a bit about your family, when and where you were born, and a little about your early years.

WARNE: Sure. I was born right here in Washington, DC My dad was, at that time, with the Department of Interior. He was an assistant secretary and had various jobs. He came in in the Roosevelt era and was an Associated Press editor here in Washington. He was picked up by the Roosevelt administration.

Q: I have 1933.

WARNE: Well, yes, you're probably right. He just came in after the administration got established. He was first a public affairs person at the Interior Department, and he worked his way up through the ranks and was appointed assistant secretary, I guess first by Truman. So I grew up here. My childhood was right here in the Washington area, although my family was from California. Dad and my mother both had grown up in California. So I have roots on both ends of the continent.

My dad saw that the Truman administration was likely to pass and the torch was going to Eisenhower. And he took an appointment, just at the end of the Truman administration, to go out to Iran as the AID mission director. Eisenhower confirmed that appointment, and Dad was one of the first AID directors. At that time, it was called Point Four, or TCA, the Technical Cooperation Administration. He was in Iran for, I think, close to four years, but I only spent the first year there. I went to school, my first year of high school, in a small community school in Tehran. The school was inadequate because standards weren't very high. And the situation became unstable. There wasn't any serious threat to the students, although I had a couple of incidents against myself.

Q: What sort of things were happening?

WARNE: Well, I was running track one afternoon, and a group of Communist students surrounded me and threatened me. Fortunately, the other members of the track team, who were Iranian, came to my defense. I had two other incidents: once, while I was riding my bicycle, someone tried to run over me; another time, someone tried to force me off the road. The premier, Mosaddeq, recommended to Dad that I leave the country.

So I went to Hawaii, on my own, and joined my uncle there for two years and went to a prep school, Punahou. I boarded one year and lived with my uncle the other.

And then my family was reassigned to Brazil. So I moved to Escola Americana in Rio de Janeiro and finished my senior year of high school there, without incident.

Then I went on to Princeton University. I majored in international affairs at the Woodrow Wilson School at Princeton and graduated in 1960.

I went through ROTC, and received a commission, I spent two years in the artillery in the Army. I served as an executive officer and battery commander in artillery at Fort Sill, Oklahoma.

After completing my two-year tour, I took an appointment with AID to go out to Vietnam.

Q: How did you feel about that? You'd watched your father in the trade, right, really, from the beginning. Often, sons don't want to do what their fathers have done.

WARNE: Well, no, Stu, actually I enjoyed living overseas. I was just the right age to go overseas. I was just thirteen. I found Iran exciting and numerous opportunities to travel. My dad encouraged me to see the country. I spent several weeks with the Bakhtiar Tribe. The family went to the Caspian and to Shiraz. Dad made a number of trips to inspect various AID projects. I had a chance to go along on some of those trips.

It was a difficult time. Dad was caught, really, in the middle. I didn't know all the ins and outs; I was just a kid. The CIA was trying to undermine Mosaddeq, the premier. Dad had just exactly the opposite guidance, to help the Mossadegh government out. It was a complex situation. Dad was there through the coup d'état, or the revolution, however you want to describe it, when the shah was reinstated to power. It was a highly charged period. I can remember numerous times of insurrection in the city when we were there.

I enjoyed the travel and the excitement. When I went from Tehran to Honolulu, I had a chance to stop in five - Karachi, New Delhi, Bangkok, Hong Kong and Tokyo. I rented a cab, in New Delhi, for example, and went to see the Taj Mahal. So when I got to Hong Kong, I bought myself a camera and toured the city. So I really had a wonderful experience.

Q: How did one get into the AID program at that time? You went in in what year?

WARNE: I joined in 1962. I had taken the Foreign Service exam, and was hoping to become a Foreign Service officer. On three occasions, I passed the written exam but flunked the oral. My final try was just before I went to Vietnam with AID. In fact, I was leaving for Vietnam the very week I took the oral exam. I passed at that time, probably in part because the board was impressed with my determination. I had taken the job with AID and volunteered to go to Vietnam.

Basically, I'd wanted to do something overseas, I knew AID was recruiting, so I sent them a letter and applied. There was no interview system; just two phone calls. AID had my resume, and they offered me a job on the spot, by phone. It was certainly different than what the Foreign Service would have done. AID sent me to Washington just long

enough to sign the contract and get a passport. Then I was in Vietnam. It was literally two or three days. No training or preparation.

Q: I like to get the stance. The first time you went to Vietnam, you went there as...

WARNE: I only went to Vietnam one time, and that was a two-year tour with my family- my wife Susanna, and baby daughter of six months, Robin. We arrived in Vietnam in December of 1962, and left in December of 1964.

AID was so anxious to recruit me and others like me. It was building up a program called Provincial Operations, which was assigning Americans to the provinces to administer local AID programs. I happened to be the first AID officer assigned to the Mekong Delta. It was an experiment. As an exception, AID allowed me to take my family along. The family did not want to be separated.

Q: What was the situation like in Vietnam at that time, as you were told before you went out? Obviously, you weren't told much.

WARNE: I really didn't know even what I was going to be doing, when I left Washington. Actually, the situation was fluid and contested by the Viet Cong. We were trying to get a grip on what was happening. We were assessing what our program should be. Our mission was "to win the hearts and the minds of the people." Our aim was to consolidate the Vietnamese government's presence and governance. The issue was how we could grapple with a civil war, or insurrection, and best respond to it. We were experimenting to see what would work with us.

When I arrived in Saigon, I went in to see my boss, Rufus Phillips, who, although I didn't know it, had had a career in the CIA. Rufus had now surfaced as an embassy officer and was coordinating the Provincial Operations program. He was highly effective, energized and dedicated and assessed conditions accurately.

Provincial Operations had a budget of, I'm not even sure exactly how much - it was twenty or thirty million dollars for this program. I was allocated about a million dollars and assigned to two provinces. Rufus called me in and said, "Well, Rob, I'd like you to go down to these two central provinces in the Mekong Delta, Vinh-Long and Dien-Binh." A colleague introduced me to the two province chiefs. I found a place to live and set up a program. I didn't have any other guidance. I knew that I was supposed to develop programs to respond to the province chiefs' and the communities' needs.

Q: I just want to get a little feel about how we went about this. How old were you when you went there?

WARNE: Twenty-three.

Q: So you're twenty-three years old. You're sent...

WARNE: Just out of the Army and college.

Q: And no particular training.

WARNE: Absolutely none at all.

Q: Did they hand you a volume of guidelines of what you were supposed to do?

WARNE: They only thing they handed me was a map.

Q: If I weren't a former government employee myself, I'd think that was incredible. Was there anybody before you went out you could talk to and say, gee, what are the options?

WARNE: No. I was required, once a month, to write a report about the program. From that, and from the various other reports from the provinces around the country, we developed common guidelines.

Basically I was a community-action officer who was trying to extend effectively the reach of the government into the countryside.

Frankly, I think the description that the U.S. military advisor used to describe the Provincial Operations program was quite apt: "Dynamic inexperience." We were very anxious to go out and do things. We had resources and were determined to show results.

There were three or four guidelines that I quickly developed myself. One was to complement the province governor. I did not do anything without his involvement or without his commitment that he wanted me to undertake it. He and his staff needed to be involved in the project and, most importantly, identified with it. I didn't want it to have a U.S. identification to the program. Our goal was to build the capability of the provincial and district governments.

The second guideline was that [I wanted to do something that would] impact on the local communities in the countryside. I found that there were five or six things that we could do that the people needed badly. These were impoverished, rural, rice-growing areas. I went to each community to determine what the communities needed and what the people would become involved in. I developed a flip chart that described how the province and the local people could participate together in community-action projects. From those discussions with each of the village councils and local communities, we would identify local projects.

These broke down into building schools, providing school supplies, digging wells, providing livestock, or poultry, fertilizer, building a bridge, providing a nurse and medical supplies. Refugee relief was a major component. We had a number of people who were relocated out of areas because of the insurrection.

Military engagements occurred daily. A lot of people didn't realize that in that period, in the middle ‘60s, there was such a buildup of the Viet Cong. There was a V.C. regiment in each of the provinces. These were broken down into mobile platoons and squads. I have a map here that will show the pattern of military incidents. We had at least 30 or 40 incidents a month. Many of them were assassinations, bombings or sniper fire. I was caught in 40 or more incidents myself while I was there.

Q: Did you feel that your presence was a problem to the province people? I would think that the whole idea, on the part of the Viet Cong, would be to discourage aid coming from the United States.

WARNE: Yes, the Viet Cong systematically destroyed the projects whenever they launched an operation. Whenever there was an incident against my person, it was, I think, indirect. The American military picked up leaflets and other information that purported the V.C. had a price on my head. It seemed like a large amount of money at the time. But there was a price on everyone's head--the province governor and the U.S. military adviser and others--so I was not being singled out. I was exposed. I went throughout the two provinces everyday. I sometimes I preferred to go without a military escort. I never felt that I was a direct target. But I'm sure that if the V.C. had had the opportunity, they would have killed me. I had several vehicles mined while I was there. The closest incident I had was when the province governor and I walked into an ambush. The V.C. shot two of the soldiers with us.

The Viet Cong did not know what to do with me. I wasn't a hostile, in the sense I wasn't out trying to kill them.

They also exploited our activities. The V.C. used our grain (we had a lot of bulgur wheat and cooking oil) for their own purposes.

It was a discouraging effort. During those two years, we were losing the war. I could see it visibly. When I first arrived there were many remote areas I could go to and work in. By the time I left, many of these areas were insecure. Our schoolhouses and other projects were torn down. The security deterioration made it much more difficult to travel. Several of the roads to the district towns that I regularly used were blocked. One time, I actually had to persuade the province governor to let me use an antique tank and a platoon of soldiers to clear the road in order to get some supplies through. I was increasingly discouraged. My reports described the pattern of attacks of the Viet Cong. They were squeezing the province towns. They built roadblocks and took over the villages and transportation around the provinces.

Another discouraging feature was the uneven quality of the local leadership. One province governor, Major Minh, was particularly effective. He knew how to work with the people, and had integrity and honesty. But we had other province governors who did not measure up. There were five during the time I was there in just one province. The government also changed several times in Saigon. This dramatically impacted on our effectiveness. In fact, frankly, at some points, I was really the province governor because

I had resources and capability. The military advisors and I helped to hold things together during these turbulent times. But we were continuously losing ground to the Viet Cong.

I worked very closely with the military. That was one of the things that I made a point of doing. I'm not sure all of my colleagues did. I wanted the military to know exactly what I was doing.

Q: You're talking about the American military.

WARNE: Yes, and also the Vietnamese. At first, until my family moved to the province with me, I lived with the military. I was doing, and I tried to design programs with their participation. I think they appreciated that. I always had a good relationship with the military, in one of the provinces. In the other province...

Q: Which was?

WARNE: This was Vinh Long, which was the more prosperous and important of the two provinces. It also had a larger population - about 200,000.

Q: What was the capital?

WARNE: The city of Binh Long was the capital. And I have a map here I'll be glad to show you.

But I had an adverse experience, partly due to my inexperience. The province governor, who was a well-trained, French-educated colonel, exploited the population and his situation. I began to pull back from giving full support to him.

The province had a poorly conceived program of building strategic hamlets, essentially barbed-wire fortresses around villages. The purpose was to prevent the Viet Cong from night attacks and infiltration. It was not a well-conceived plan because the villages could not be protected in this manner. We put a lot of resources into strategic hamlets which remained vulnerable.

At that time, the government required each province to report the amount of hamlets that had been secured and the effectiveness of the security.

This governor wanted to look good. Instead of securing the individual villages, he built an immense barbed wire fence and mote around his province. Perhaps over 600 kilometers. This effort was not sensible. There's no way you could secure such a long barbed-wire fence. He also used forced labor to build the fence.

I objected.

This was not the plan. The aim was to develop the resources for the community, not exploit the people.

When I objected, the province governor became incensed. He reported to President Ngu Dinh Diem that I was not cooperating. The government undertook an official inspection.

[I told my boss about this situation, and he actually was called in by the president and asked who this guy was and what was going on.]

Well, my boss, Rufus Phillips, got a U.S. Navy plane to fly over the province and photograph the long barbed-wire fences, to demonstrate that the province was not following the instructions of the strategic hamlets. He gave the photos to the president's brother to respond to these accusations. My situation with the governor had come to a breaking point. I bid farewell. He was proud and rigid. I never developed a good personal relationship with him, although he was very kind to me. I stayed in his home a couple of times.

The last time I stayed with him, I gave him a bottle of scotch. And he insisted I open the bottle and take the first drink. He thought I was trying to poison him.

He told me to take this road out of town. A MAAG (Military Assistance Advisory Group) advisor, a captain, said, "Why don't you take an alternate road." I'm glad I did because I avoided an ambush.

The province governor was related to the president. He was protected politically. But they did transfer him six months later from that job. The Viet Cong continued to expand its control over the rural areas.

Q: Obviously, you didn't speak Vietnamese. How did you find out what was going on?

WARNE: I spoke a little French, and I did study Vietnamese. I had an interpreter. I did most of my business through an interpreter. This interpreter became a close friend. He escaped from Vietnam after the war. With our help his family and he now live here in the Washington area.

Q: Was corruption a bad problem?

WARNE: It was a serious problem and never controlled adequately. For example, we would allow expenditures for gasoline; there was no way to control vouchers. But corruption was not rampant. I didn't have all that much money. Much of the aid was in kind. I would buy uniforms, equipment or seed. I don't think anyone really made a lot of money over me.

I would always get equipment such as trucks and pumps from whatever sources would be available. Communications came primarily through the local telegraph. USAID/Saigon sent me a wire saying 17 rehabilitated WWII trucks were available. No one seemed interested in them. I said, "I'm coming to get them." They added to our transportation

capabilities. The Vietnamese military used them more than I did. That didn't bother me; they needed the trucks. I did not draw a line between the civilian and military activities.

Regarding corruption, I had some problems. Two or three province governors were free-wheeling. I was careful about the release of funds, but some funds were misused. In one case, I had to halt expenditures because of malfeasance. Frankly the lack of effective government and commitment by our Vietnamese counterparts were our most troubling problems. The Vietnamese at the provincial and district [levels] in some cases undermined our efforts to win public support and cooperation for the government.

But for the most part, our programs had an impact.

Provincial Operations used to compare Defense Secretary Robert McNamara's visits to Vietnam to a division attack. He would just overwhelm us with requests for data and analysis.

I filed several reports about the difficulties to carry out our programs; and we were losing ground and lacked effectiveness.

These reports caused several confrontations with McNamara's senior staff. They called me up to Saigon. I disagreed with their conclusion that things were going well. I said, "I can only speak for the provinces I know, but conditions are exactly opposite from your conclusions. We're losing ground. It's just a matter of time before these provinces will be taken over by the Viet Cong." I illustrated with four maps. One map of portrayed the Viet Cong activities in the province; every terrorist incident was marked on it. Secondly, a map showed the secure areas where we could operate. The third described the number of strategic hamlets and the number kept shrinking. Finally, a map located our programs and those which had been destroyed or abandoned. McNamara’s staff questioned my analysis. They said that I didn't know what I was talking about.

They did make one credible point. Senior staff said, "Some of those early strategic hamlets were not well established, you didn't have effective presence, and the security program has now been consolidated. Perhaps so, but the area controlled by the government was shrinking and this contraction occurred during the entire period I was in Vietnam.

Another major effort that was not going well was the Vietnamese military directed me to relocate tens of thousands of refugees from areas that were Viet Cong controlled. We were trying to strip them of resources and population. Relocating these people was a terrible job, because I lacked the capability to relocate several thousand people from their homes and provide them with basic services, medical care and foodstuffs. A number of small, temporary communities were built. But the people returned to their homes at the first opportunity. Many were hardened Viet Cong by the time they left. I tried to discourage the program, but I often was instructed to do it. Large relocation as a retaliatory measure against the Viet Cong was a serious mistake.

A Special Forces unit was stationed in one of the most insecure areas. I used to fly in to see them and help with various programs. It was a very hostile area. We always received ground fire whenever we flew in or out. During my assignment, the Viet Cong gained control of the entire district, except for the immediate area around the Special Forces camp. The US team was a thorn in the V.C.'s side but did not check their insurgency.

I came to the conclusion that we just didn't know how to prosecute the war. We were in a civil war that called for a different approach. We had a weak government, a government that was not committed to prosecuting the war. For example, the Vietnamese objective was to avoid casualties. The military often avoided closing with the Viet Cong. The Vietnamese leadership was often corrupt and ineffective. There were some exceptions however. Some Vietnamese were very good officers. For the most part, we had an uphill battle. Unless we were really willing to commit millions of men to secure the countryside, we couldn't make the difference by presenting the war under those conditions.

Q: Were you there during the coup that took Diem?

WARNE: Yes, I was there, but I was not in Saigon at the time. Many expected a change because Diem and his family were being criticized and seemed ineffective.

Q: Did that have any particular effect?

WARNE: Yes, it did. It had a destabilizing effect. Most key positions were changed. All the old relationships were cut. New inexperienced people took over. It was a turbulent period. There was a noticeable slowdown in governmental leadership and programs. For the most part, key positions were given to cronies. The selections were not based on merit. Frankly these Mekong Delta provinces were given secondary priority. The best officers went to jobs in Saigon, other cities and major commands. This was a mistake I believe.

Q: Was John Paul Vann down there?

WARNE: Yes, he was. He was not far from me. He started in Long-anh, which was the province north of me. He had a different approach as a military leader. I did not direct the military operations. His experience in presenting was similar to mine. For example, the Vietnamese military refused to close with the Viet Cong in both operations.

We had two or three major engagements with the Viet Cong during the time I was there. We never had an engagement larger than company size, but we had several company-sized attacks. Several US military officers were killed. On two occasions the V.C. attacked the provincial capital in which we lived. Those were mainly skirmishes, however. Once a mortar round dropped near our home.

Q: You're speaking about Americans.

WARNE: Yes. The American military advisors were competent and dedicated but not the ebullient, strong leader and outspoken type that Vann was. I can remember sitting on the steps of the province chief's house when one of the majors was leaving as head of the advisory unit. He said, "Rob, I just wish I could say that I accomplished something during the year I was here. I didn't really make any difference."

When I left Vietnam, I was assigned to the Vietnam Desk. Actually, I was first assigned to go to Brazil. My assignment was changed to put me on the Desk. I returned a year later on a presidential evaluation mission led by President Johnson's Special Assistant Robert Komer. I went back to my old haunts. I reversed the course of Komer's evaluation. He started in the north, and I went first to the south. I covered many of the same stops, during the ten days of the visit.

One of the most heartrending experiences was in the visit to the province town of Vinh Bink-Phu Vinh. I had been there two years and knew people. The same province governor Colonel Tranh was in charge. The military advisor, Colonel, Muckerman, was also there. DoD had extended his tour. We discussed their plans. They said, "We're undertaking a new operation. We're going to secure Cau-Ke district. We have two battalions reinforced with so many armored personnel carriers and artillery. The V.C. headquarters were going to be surrounded. Permanent ARVN presence was to be established.

I said, "I participated in a similar operation with the previous province governor about two and a half years ago. I camped out in the district for several weeks; got eaten up with mosquitos and suffered from diarrhea. We lasted about three weeks before withdrawing. We lost so many men by booby traps and sniper fire that we gave up and pulled back. It was just a terrible experience. We thought that we had the forces needed to secure the district."

They said, "Well, it's different this time. We've got it organized."

I said farewell to them as they went off to lead their units.

I heard later that the province governor got out on one side of his jeep and Muckerman on the other. A land mine went off and blew the province governor's leg off and badly wounded Muckerman. That ended that operation.

We never learned. We never developed the experience and the know-how to prosecute the war. Our personnel were rotated every year. The Vietnamese commanders changed even more often. We never figured out how to combat guerillas and operate in a civil war. Perhaps we could not win the war. But operations focused on local areas in a concerted, comprehensive way would have slowed the V.C. down, if not reversed, their success.

Q: You're obviously looking with hindsight. But let's go back to the McNamara people you were talking to when you were there. Were these people who were resolved on a

course and they wanted to have the figures that looked good to them? McNamara had this tendency...

WARNE: To quantify everything.

Q: Did you have the feeling that it had to be positive?

WARNE: Yes. It was an attitude that was cultivated by the way that we ran the military. Civilians were just as bad; I'm not saying it was just the military. We brought people over on short assignments, eleven months to a year. They needed to demonstrate accomplishment to get promoted. The President wanted to win the war. We were providing a lot of resources. We were determined to make it look good.

Saigon was removed from reality. As a result, fictitious accomplishments became the rule of the day. I'm not saying that everyone was being misled or satisfied with reports. I can remember Al Kromer talking to the President's advisor for Vietnam. He was a real terror, a tough guy. His nickname was “blow torch”. In quiet moments, he said, "We really are dealing with a civil war." But no official would ever say that publicly.

I had an interesting experience when I first arrived at the Vietnam Desk. Komer called "Hey, Warne, I understand you've been out in Vietnam and you know the situation."

I said, "Yes, sir."

He said, "The University of Michigan is going to have a teach-in, and they want to have someone to tell the students about the situation in Vietnam. Would you do that?"

I have never been so scared in all my life. I was confronted by 10,000 screaming kids ready to tear me from limb to limb. I shouted over their yelling and I got out safely. Attending those teach-ins was not a good idea. We were a magnet to draw people in. Things went downhill rapidly regarding public support for the war. The president was caught in a difficult situation.

When I got back from Vietnam, Len Unger, a deputy assistant secretary, was in charge of Vietnam at the State Department. He called two or three recent returnees to ask us for advice. The issue was whether we should increase U.S. forces. This was early in '65. The president had a DoD proposal to send 50,000 more troops. The first major commitment of US forces.

I was the only one in the group who opposed a troop commitment. I said that, unless we were willing to commit major resources in the two provinces -- at least a regiment in each province -- we would not succeed in those areas. Even with a regiment in each province, it would be difficult to prosecute the war. Without being able to have dominant presence in each of the provincial districts we couldn’t drive the Viet Cong out. Otherwise we could secure some of the roads and key communities, but the rest of the countryside would be controlled by the Viet Cong. My family and I had a unique experience setting

up household in a town of 25,000 one hundred miles south of Saigon. My wife taught school until the principal asked her to stop for security reasons. At first, we were able to drive to Saigon, but shortly we relied on air transport for food, mail and travel. When we left, we flew out by helicopter. Suzy, my wife, would be alert for a plane to buzz the house each week. This was the grocery, mail run. She was the only Caucasian woman for much of the time. Life magazine did a four-page story on us just before we left. It was a major blunder to escalate the war. We committed US forces to an open-ended situation. We lacked the will to provide the troops and long term commitment to gain the upper hand. Without such determination, we should never have gotten involved in a civil war in which the Viet Cong had the upper hand.

Q: When you were back in Washington, how did you find the Vietnam working group you were on? You were in an AID working group.

WARNE: No, I wasn't. I didn't explain what happened to me. My appointment to the Foreign Service came through when I was in Vietnam, and on one of my trips up to Saigon I was sworn in. Since they were now assigning FSOs to the provincial jobs, I was converted from a reserve to a regular officer position. I continued on in the position same salary and grade. I made a mistake. I probably would have had a more successful career if I'd stayed in AID. I came in as an FSR-8. That's the lowest rung of the Foreign Service reserve. I was promoted one rung while I was in AID, and State picked me up as a seven. But AID had already put me in to be promoted to a six. I would have gotten ahead more rapidly in AID and was headed for program management.

When I was ready to return to Washington, the Embassy at Saigon said there was no reason to give me any training. I had already been in the field. The beginning A-100 Course was waived. I didn't have any language qualifications, so I couldn't get promoted above a six without passing the language exam. State was going to send me to Spanish, but it pulled me off to go on the Vietnam Desk. I ultimately took Spanish on my own in early morning classes.

I had orders to go Brazil. During transit, I offered to give a briefing to the Vietnam working group -- the inter-agency-level management of Vietnam.

I had an illustrative report on what went on in Vietnam from my perspective in the provinces. It had four parts: community action; the military situation illustrated by several maps of how the Viet Cong was taking control; the leadership in the local area; and finally an evaluation of progress issues. I had one series of photos of the results of U.S. bombing raids on a Buddhist temple that had killed several Buddhist monks. I explained how the Viet Cong had drawn us into the engagement.

When this incident happened, I went to the division headquarters and complained to the division commander. It had really set our program back. I lost effective relationships with two district chiefs because of it. I had gone to see the Dai-Duc Mekong, the Senior Buddhist monk, to make homage and apology. He allowed me to give restitution for the

monks deaths and rebuild the temple. That was not the only incident, there were several like that. I tried to get across to the military that this was not productive.

There was an Air Force general at this working group briefing who got very angry at me for this description of what happened. So I got a little notoriety out of that confrontation.

Ambassador Unger asked me to stay on in Washington rather than go to Brazil. I joined the State Department's Vietnam working group. I was one of the five on the Desk. I spent about two years on the Desk. By the time I left it had more than doubled in size. During the entire period I was the most junior officer on the desk.

Q: You were there about '64 to '66?

WARNE: Actually, it was '65 to '67. I left Vietnam just at the end of '64.

Q: Did you find, with this working group, that there was an attitude that we have to see things in a positive light, Americans can do anything, we can do this? What was the feeling?

WARNE: No. The desk had the attitude that the Administration needed to do a better job of improving the capability of the Vietnamese government, and broadening its political base. We focused on political development through development of the National Assembly, and broader participation of the populace, and strengthening responsiveness. For Example, the Desk worried about the Buddhist demonstrations, and other dissident groups.

No, the working group did not have an attitude that we had to do anything to win the war, and that we were going to cover up the problems. The State People had integrity and were honest about developments. But the Desk was not in the driver's seat. The military was running the war. We could have done more, however, to explain to the administration what our problems were. We were dependent on the embassy and the AID mission for reporting. Everyone wanted to be positive and make progress.

Those involved knew the war wasn't going well. We ran an around-the-clock working group in times of stress in Vietnam. I happened to be in the operations center, on the phone to Saigon, during the Tet Offensive. I was the first one to get reports on how the country was breaking up. We all knew it was coming. We did not anticipate Tet; that took everyone by surprise. Essentially, what we were trying to do was hold a deteriorating situation together.

I was assigned primarily to follow developments in the Mekong Delta and coordinate activities with USIA and AID. I had never been in an embassy. I had an entirely different background than the other officers, who had all been in the embassy political section in Saigon. They had different skills. I learned a lot. If I was going to be a Foreign Service officer, that's where I had to start. For example, I prepared each week a worldwide

assessment of developments in Vietnam which was used as talking points for all of our embassies and spokesmen.

When I returned from the trip to Vietnam in 1966, I wrote an extensive report describing how the war was not going well.

Komer, on the other hand had come back with a very positive report.

My boss, Ambassador Robert Miller, recommended that it be sent over to the White House. But it never went anywhere. In fact, I don't think Len Unger ever read it. I followed up a couple of times and asked if he'd had a chance to read it. And he said, "I've taken it home, but I was so tired, I didn't get it out of my briefcase." My views didn't make any impact at all.

I can remember my boss getting angry with me one time. USIA wanted to set up a TV network throughout Vietnam -- TV in all the local villages. This was to get our message across to the local population. The American military was anxious to get TV out there for the troops for entertainment purposes. USIA took excessive time to prepare its proposal. My boss kept getting more and more angry with USIA for dragging its feet. He worried that McNamara would say, "Let's do it. The hell with the USIA. The troops need it now." I just couldn't get USIA to move. It was one thing after another. Thus, all of us had difficulties in moving a lethargic administration. Washington was not on a wartime footing, although the Desk worked. We used to work around the clock when emergencies occurred.

The Department asked me to do a lot of public speaking. I was in nearly every major city and on numerous radio and TV programs. I described the AID program and the community action effort. AID also used me for recruitment.

One of my peculiar jobs on the Desk was to review FBI files on demonstrators. The FBI sent over regular reports on demonstrators, perhaps 10 to 20 a day. I just filed them. It was a waste of time. The agent would be sitting in a car on the corner; the suspect would be walking across the street. Great detail about nothing.

Obviously, the administration was struggling with a very strong civil uprising in our own country against the war. We weren't handling that well at all, either. We just couldn't cope with the justified public outrage about prosecution of the war. Eventually, the opposition knocked Johnson out of the White House. Fortunately, I had left the desk before the peak of the outrage. By that time the Johnson Administration had blundered seriously over Vietnam. Its leaders refused to accept reality -- the U.S. could not dictate terms that produced a favorable outcome for it.

Q: Finally, you got out of this and off to...

WARNE: I went to Argentina.

Q: When did you go there?

WARNE: We went there in '68. (sic – actual date was 1967. Ed.) I had Spanish-language training, and was assigned as the financial officer. I followed the IMF (International Monetary Fund) stabilization program and did the financial reporting for the embassy for the first year. I was the assistant to the Treasury attaché. And then the ambassador asked me to be the commercial attaché. This amounted to a two- or three-rung jump in the assignment level to run the six person commercial section. Argentina was very exciting. The family and I enjoyed it immensely. We had two children by then, a daughter and son. My wife taught school as she did in all of our subsequent assignments.

Q: You were there from '68 to...

WARNE: From '68 to '70.

Q: What was the political situation in Argentina when you went down there?

WARNE: It was relatively stable. There was a military dictatorship under General Onganía. It was a benign dictatorship. There were not any terrorist acts going on. Economic stabilization under the IMF and USAID was the main program. They were trying to stabilize the country, prospects were looking good. The economy began to turn around.

It certainly is a wonderful country. We had just an exciting assignment. As commercial attaché, I traveled to every province, 23 in total. My wife went with me, and we had a wonderful time.

Q: Let's talk about the financial side. Had Perón pretty well looted the treasury before?

WARNE: No. It was a badly divided country, obviously. The Peronistas, the labor socialist groups in the country, still had a great deal of power. But the Onganía government had worked out an accommodation and had secured itself politically.

No, there was no turbulence, violence nor disappearances in the 1968-1970 period. The government was dealing with practical problems. I felt that our ambassadors during the period, Carter Lane Burgess and John Davis Lodge, struck me as being out of touch with things. Both had personal agendas, the first to promote business and the second himself. But the American delegation at the American Embassy was, I think, quite effective.

My relationships with the government were productive. I worked closely with the finance minister and his deputies, and played a role in engineering the IMF program and U.S. support for it. I was encouraged when U.S. investments began to flow in.

The Embassy worked closely with the business community. We regularly met with the business community to discuss business proposals. We promoted some new investment. We put out a weekly account of the business opportunities and possible joint ventures -- a

news analysis of commercial opportunities. The commercial section developed a network around the country with business people and chambers of commerce, which showed an American presence and involvement in the country. The government stabilization was taking hold, the economy was growing and Argentina was beginning to achieve its potential. But the weak point was Onganía himself. He was a dictator and eventually passed from the scene. Argentina then went through another turbulent period with high inflation and slow growth. Its prospects -- always bright but never realized -- were again set back.

It was a wonderful assignment as far as our personal life was concerned. My family enjoyed many wonderful experiences. My wife taught school, the kids grew up and enjoyed the school and country.

Q: The Argentines are European based. Was there a natural affinity between trade, as far as Europe and Argentina? Was it difficult for us to do business?

WARNE: Not at all. The plurality of the population is Italian, by origin, but there are many British, Germans and other nationalities. The Argentines identified with the United States. I never felt reservations towards Americans. No, not at all. We had an active international and local community in which we were involved. We enjoyed the Argentines very much.

Q: Was the American Chamber of Commerce pretty active there?

WARNE: Yes. They needed the embassy to resolve issues with the government. U.S. business was doing very well. American companies were prospering and expanding, and new ones were coming in. It's such a wealthy country with many opportunities, that if you had leading-edge technology and local presence, you could do well.

Q: One other thing, I don't know whether we were asking the question then, and I've never been there, but you look at this place, it doesn't have to absorb a large Indian population, which can be a drag in thinking economically and all that. So that the world...

WARNE: What do you mean, it never took off?

Q: It never took off. Were you asking the question then, and wondering, looking at the dynamics, what...

WARNE: Why Argentina had never got its act together, become a developed country?

Q: Why it was, as you saw it at that time, because I think we were still looking at this...

WARNE: There were three or four things that impeded progress in Argentina.

One is that they were not as commercially driven as many countries. Maybe it was because they were living off the fat of the land, the estancias.

Q: These are the ranchers.

WARNE: Life wasn't that difficult. The wealthy, landed gentry enjoyed a good life. They had all the meat, wine and pleasure that one can have in a beautiful, rich country.

Secondly, Argentina had gone through the Peronist period -- a socialist oriented time. The economy was burdened with a lot of inefficiencies -- inefficient state enterprises, a large social welfare program, and militant organized labor. These conditions combined to create a situation in which it was difficult to revitalize the economy to be efficient.

There was also a lack of political consensus to develop political institutions. Argentines failed to come together as a nation. They were divided by their ethnic differences.

Finally, they suffered from a stop-and-go situation. A couple of years of progress, as during the time I was there, and then they got off the track again. They never had sustained economic growth going despite the many possibilities. Argentina should have focused on stability, on opening the market to investment, on being more efficient, on reducing the government overhead and on eliminating inefficient state enterprises. They never came to terms with these needs. During the time I was there, the programs were headed in the right way, but they never sustained it for a long enough period to make it work.

Q: You left there when, in 1970?

WARNE: Yes.

Q: Then where did you go?

WARNE: I went to the Office of Development Finance in the Economic Bureau of the State Department. I had a two-year tour there, where I essentially handled four jobs. My main one was to work with the World Bank, IMF and the Asian Development Bank. I was the State Department officer who reviewed the loan applications and obtained advice input from each of the Desks to evaluate U.S. contributions to these agencies and the loan projects. I was also the State representative on the Export-Import Bank board. I represented the political interests. Whenever there was an Ex-Im Bank loan or credit coming under consideration, I assessed the political point of view from a foreign policy perspective. I also worked on the Asian Development Bank. This was my most substantive work, because this was a formative period for the bank. The US was working with Japan and others to create an effective Asian leading institution. I went to a number of the Bank's board meetings and played a role in helping to design the U.S. relationship with the bank. The ADB is still a very vital institution.

Q: What was your economic background?

WARNE: I majored in economics, at Princeton, but only had a B.A. degree. I went through the economic course at the Foreign Service Institute. Then in 1972-74 I received an M.A. in economics from Johns Hopkins University and passed the Ph.D. written exam in economics qualifying. …

Q: FSI was an intensive one that brought you up to the equivalent of a Master's Degree rather quickly, didn't it?

WARNE: I guess so. To be honest with you, I don't think it was that strong a course. I breezed through. I was the top student in the class. Frankly, it wasn't any tougher than Princeton. No, I didn't think a lot of the course. A couple of the professors were excellent. In fact, one I still have a relationship with. I enjoyed it, but I don't think it really equipped me as an economist.

Since the Department has such excellent training opportunities, I secured a mid-career university program and went to SAIS.

Q: SAIS being...

WARNE: School of Advanced International Studies at Johns Hopkins. I took one year at night at SAIS, and then received a mid-career university assignment for a year. That was excellent, I was able to have a full, intensive year. I doubled my course load by taking six or eight courses a semester. I qualified for the Ph.D., and took my Ph.D. exams. It was an excellent opportunity. This training equipped me as an economist. I'm not saying that I'm a top-level analytical economist, but it certainly gave me a boost.

Q: It gave you the instruments.

WARNE: I had two years in the Office of Development Finance. Then I was made a section chief, heading up the food aid program in the Department, which was a good job. I enjoyed that. I had a staff of about three or four people, and I essentially supervised our worldwide food aid with the Department of Agriculture.

Q: Before we go to the food aid. At this time, we're talking about, what, '70 to '72ish, when you were with the...

WARNE: 1970-72.

Q: International finance, the international organizations that you were dealing with. Were the State Department and Treasury both pretty much on the same track? How did you find it?

WARNE: We were not on the same track at all times. Treasury had an interagency committee in which I represented the Department. The committee reviewed loan applications of the multilateral development banks. I spoke for the views of the various

State country desks. Commerce, Agriculture, Labor and others would also sit in on it, along with Treasury. At that time, there was no USTR. It was superficial review. The banks would bunch their loan proposals near the end of the fiscal year. You'd have to review 20 or so in one week. They're comprehensive documents: a couple of hundred pages.

At times, our views were heard and acted on by Treasury. But if there was anything controversial, Treasury would take it to a higher level. We had a role. Treasury needed political input which State provided.

I had more of a role in two areas. One was with the Asian Development Bank, because the U.S. had a clear political stake in establishing the bank. The U.S. helped decide who the members would be, what our lending role would be vis-à-vis the Japanese, the U.S. leadership in it, a concessional window, conditionality and so forth. It was a more substantive role for State. Treasury monitored the World Bank and the Fund and handled both institutions mainly on its own. The ADB has become one of the most important regional lending institutions. It enjoys congressional support and has helped promote Asian dynamism.

The second area was UNCTAD, the U.N. Committee on Trade and Development, on the developing-country forum for considering international economic issues. A Treasury officer and I monitored the financial aspects of UNCTAD. UNCTAD was driving to have the IMF allocate special drawing rights [SDR's] to provide added financial resources to developing countries. Treasury was adamantly against it because it would be inflationary, distort the money supply and other factors. State went along but I took a little softer line. It wasn't quite as vigorous in its opposition as Treasury was. I attended the UNCTAD plenary meeting in Santiago for six weeks as a representative.

I also represented us at the ECOSOC regional meeting at Manila for one session. The Russians and U.S. were differing on issues for political reasons. I was able to head off some of their initiatives. I enjoyed that. But it was just an economic-officer job for the most part.

The Chief of the food-aid program had some interesting aspects. The food-aid program worldwide amounted to several billion dollars annually. The U.S. was making substantial contributions to ease hunger and promote agriculture through food-for-work programs. Food aid was going to well over 60 countries. The section coordinated these programs with our embassies, decided on priorities and coordinated with other countries.

Q: How were these food-aid allocations chosen?

WARNE: They were allocated on the basis of need, market access and opportunities to develop markets. There were a wide variety of exports, but cereals were the principal commodity. Indonesia and Thailand were big recipients and various countries throughout Africa and Eastern Europe.

Q: Were we trying to get wheat in, as opposed to...

WARNE: In part, the wheat met basic human needs. We were also promoting U.S. exports. A credit of up to three years was granted. Longer-term terms were used in special cases as was food grants. As you know, the U.S. developed some major large PL 480 accounts around the world that were used to found the local costs of AID programs.

Q: Oh, yes, India being a prime example.

WARNE: Yes.

Q: Were you in the position where every American ambassador would send in a request, gee, we need food aid, and you'd have to determine which ones?

WARNE: Sometimes. But food aid was more driven by the Department of Agriculture to promote U.S. agricultural exports. USDA would draw up proposed allocations. I would coordinate with the embassies to determine appropriate amounts and how the food distribution would be supervised.

We had an intergovernmental committee in Washington that reviewed our and other countries', particularly French, food exports, to try to determine that we didn't displace commercial markets, i.e. uniform marketing requirements, UMRs. UMRs were based on a three-year running average of what the country was importing commercially. We had to make sure that commercial imports were first met before we would provide subsidized food aid. Since these markets were often growing, the three-year average wasn't always a reflection of what the commercial need might be. We probably did displace some commercial imports. That was really the issue, whether we were displacing the French or ourselves, and how we'd control. A lot of commercial competition was involved.

Q: Would you get involved when all of a sudden there was a famine somewhere or a disaster?

WARNE: Yes. We worked closely with the Office of Disaster Assistance. We would help develop emergency food supplies. AID primarily managed these examples. We would coordinate the State and international aspects of it.

Q: Where was the food coming from?

WARNE: USDA bought it right off the U.S. market. Some of it was in storage. It was in part a commercial operation to prop up the prices.

Q: Well, then, was it about '75?

WARNE: No, '74, actually. Subsequently, I was stationed in Brussels with the European Community for three years. I was developing a specialty in finance and economic analysis. I had three tasks in Brussels with the European Community. First, was financial

reporting, following monetary, tax, exchange rate and macroeconomic policies. The second was to handle our development cooperation policies with the Community, mainly the EC's Lome convention with over 60 developing countries. I also worked on trade issues. The European Community at the time was going through a major transition. It was moving from six to nine members and was coming to grips with increased economic integration. Just a fascinating time to be there.

Q: What was our attitude? Did we see this European Economic Community as being just a wonderful thing? Or did we see it as a potential trade rival or a closed market?

WARNE: No, not at all. The U.S. attitude was positive about the Community. We were trying to assist in its evolution, strengthen it, and cooperate with it. We had trade problems, a chicken war, for example, and other issues. Those were normal commercial squabbles. Overall, we were determined to see the Community strengthened. We looked upon the EC as a means to integrate, stabilize and develop Europe. If we could bring about a reconciliation, we would secure a longer-term stable environment for ourselves and the Europeans. These goals were achieved, the EC has been a been very positive force.

Q: Sometimes this gets lost when we talk about things. This is true of NATO and everything else. If there's a war in Europe, everybody gets involved.

WARNE: That's right. And not only that, but we benefit in other ways -- political stability, peace, a stronger Europe. These factors mean a better market for us. Europe has been a good market for us, both trade and investment. The U.S. had a unique role with the Commission of the EC during that time. I knew more about what was going on in the European Community than many of the Europeans within the Commission. I was horizontal, cutting across the activities if all the directorates. I followed everything that was of importance to the U.S. The Commission and Council --the member states' decision-making body -- were accessible. They welcomed U.S. diplomats.

Q: You could talk to everybody.

WARNE: There were no problems. I had complete access. I met with the top people and the working level officials. I made sure to meet with all levels. I networked all over, filing two or three reports a day. For example, I followed the devaluation of key currencies. I knew as much about it as the bankers did. Or what the Community was doing on a certain specific trade issue or its regional and country specific development plans. I did my dissertation for a Ph.D. in economics at SAIS, The Johns Hopkins University. I completed the course work and passed the Ph.D. exam before leaving for Brussels on what I felt was a novel idea, the Lomé Convention. The Convention tied the former colonies of Europe into a network of aid recipients that would be given preferential aid and trade advantages. Recipients set up a governing board to help run the substantial aid program (which was a lot larger than our own). It was based on equality and collaboration. And they had a series of guidelines they followed. I felt it had some insightful ways of administering aid that we could draw on. So I spent quite a bit of time,

on my own, studying the program. I hate to admit it to you, Stu, but I never received my doctorate. I finished a draft of the dissertation, but I gave the draft to my SAIS advisors who wanted me to rewrite it. I was put in another job and never had the time. I really regret never finishing it. The Europeans had a continuous flow into Brussels of leaders from Africa, Asia and the Caribbean into the Community. These talks had as much political content as economic. I would regularly assess European policies around the world, whether it was about Vietnam, China or South Africa. I did quite a bit of analytical work on the political side as well as the economic. The Lome Convention was a key vehicle to consolidate the EC hegemony in several regions.

Q: You probably had as strong an economic background by this time as one could get within the Foreign Service. How did you find dealing with the people who were putting together the European Community? How did they treat the Americans?

WARNE: Well, they treated us fine. I'll give you just three vignettes.

That was during the period when we had the first oil disruption by the Middle East; OPEC was showing its colors as a cartel. The U.S. and European-led initiative put together a coordinated response. It didn't work out well. I had a good relationship with several of the delegations that were working on this. The Community would coordinate its position, and then meet with the Americans and others in Paris. I gave the meeting insights into the European position and how the EU felt about the meeting. In fact, I got an award for doing the work. But all agreed OPEC was not serious about collaborating and could not be trusted. The effort collapsed. The consumer response was to organize the International Energy Agency (IEA) as a cooperative consumer group. The IEA began stocking oil to cope with an OPEC-caused crisis. The Europeans came out with something called the ECU (European Currency Unit). No one knew what the hell this was about. So I went trotting up to a couple of my friends (one headed up the Monetary Committee; another the Financial Committee), and I asked, "What in the world are you talking about? What is this ECU."

They replied, "Rob, it's nothing. It's just an accounting unit. We're trying to figure out how we can blend all of our currencies together in a basket for budget and accounting purposes. It's just a unit of account. Nothing more."

I responded, "Are you giving me a straight story? You sound like you've got something up your sleeve." "Oh, no, this is it." I filed a report: "The EC has come up with a new unit of account, officials say it is just a bookkeeping device to keep the accounts. Don't believe it. They've got other motives. This is part of the goal to strengthen the single market." Today of course, the ECU has evolved into the euro and is becoming the single currency. I also worked on European Monetary Union which was just beginning. Maastricht confirmed the goal, which will be achieved as planned. It took 25 years of hard work to overcome member country opposition. But it represents a major achievement.

A third vignette was my effort to expose the Europeans to the United States. The USIA international visitor grants were tremendous assets for State Department officers. I don't think we make enough use of them. I got to select three or four visitors a year -- the bright, young Europeans who were nationalistic. They spent a month traveling the United States.

One Frenchman, who's still a good friend, and a chef de cabinet for agriculture at the time, had almost a religious experience. He was dying to go to the Grand Canyon. He'd read about it and seen pictures of it. We arranged for him to fly over the Grand Canyon and to go down it. It was just a marvelous experience for him. He was just a different person when he came back. Surprisingly, many important Europeans were quite provincial.

Q: Well, then you left Brussels when?

WARNE: I left in the middle of '77.

Q: And where'd you go?
WARNE: To Washington. I was first assigned to the East Asia Bureau, which I had been out of since my Vietnam period. I was the deputy director of the Economic Office for two years. My main effort was to help shape the new subregional group, ASEAN, work with the emerging Asian Development Bank and focus on Japan, China and Korean economic policy.

At that time, I was promoted to an FSO-1, what's equivalent to OC. It was equivalent to going through the senior threshold, which is a much more difficult task today than it was then. I was just 41.

As an FSO-1, I was looking for an office directorship. I was given the opportunity to move over to the Latin American Bureau and be the director of the Caribbean Office, which I think was the best job I had in the Foreign Service.

Q: This was from when to when?

WARNE: That was '81 to '84.

Q: So we're talking about Ronald Reagan and the Caribbean Initiative and all that.

WARNE: That's right.

Q: This was a new president coming in, with a rather feisty ARA Bureau coming in.

WARNE: They just cleaned house. Actually, I had about a year under the previous administration, the Carter administration, before Reagan came in.

Yes, I remember vividly my wife and I watched the inaugural parade. I stopped by the office on the way home. There was a call from the White House saying the president had decided to invite Edward Seaga to Washington the next week. He wanted the State Department to organize the trip. The White House staff was so new that they didn't even know where their desks were. It was a fascinating experience to put Reagan's first state visit together. My big job on that one was to give Seaga something.

Q: Seaga was who?

WARNE: He was the prime minister of Jamaica, just elected. He had thrown out the so-called Communist, Michael Manley, who was close to Carter.

Q: Manley was quite a thorn in our side.

WARNE: Yes. I knew Manley pretty well. I liked Manley. He was a Socialist, not a communist. But, anyway, Seaga was the man of the hour. The White House said, "We need a new initiative to help Seaga." We were already retooling our aid program. Seaga could just about write whatever he wanted in the way of checks. We asked David Rockefeller to lead a special private sector initiative for Jamaica. The goal was to promote investment and turn the economy around.

Q: The White House comes up and says we've got to have a little gift for a prime minister coming up. Do you, as office director, sort of have some of these tucked in your back pocket?

WARNE: Not at all. I was fortunate. I had a great boss, John Bushnell, who was the senior deputy assistant secretary in the ARA Bureau. John and I came up with the idea of calling David Rockefeller, who obviously wanted to get along with the Reagan White House. He was willing to respond to Reagan's appeal. The initiative went on for several years, but was restricted by lack of opportunities in Jamaica. It spurred several investments but the economy remained sluggish. I had really a turbulent first year on the Desk. A terrible hurricane blew through the Eastern Caribbean and devastated several of the islands. I coordinated the aid relief effort for that.

At the same time, they decided to inspect the office. I'd just been on the Desk for about a month or two. Additionally, our office was closed for rehabilitation. We worked out of temporary quarters.

Q: Just long enough to be assumed to know something, but not long enough to really know anything.

WARNE: The Department put modular units in our office. They tore out the office to put in modular units. No one had desks, phones or staff. It was a disaster. I slept in the State Department during those periods. I'll just give you two vignettes. Caribbean Affairs had 22 little countries to look after, and eight embassies. Something happened every day. One

was Grenada. I was the only officer that the Department would allow to talk to the Grenadian authorities.

Q: This was when they really had gone septic.

WARNE: They had gone really leftist. They were just terrible. They were thugs. My job was to be just as tough in responding.

Q: Did you go down there at all?

WARNE: I never did go to Grenada. This would have been an unwanted positive signal. I met with the leadership elsewhere, mainly in Washington. I really was given very strong instructions. I really didn't give them any room at all. They knew war was coming. Another episode. A ship captain in New Orleans called. He said, "There's a group of men who hired my boat to go to Dominica to take over the island. What should I do about it?" We informed the FBI. A couple of days passed, and the captain called back; "These guys are coming aboard tomorrow night, we're leaving. Are you going to do anything about it?" We had not gotten any results from the FBI. We sent a telegram to the director of the FBI. It went out over the Secretary's name. That galvanized the Bureau. The Bureau, along with the local police, the state police, and AID surrounded the boat and caught ten thugs who aimed to overthrow the government. They were arrested. I sent a message to the prime minister of Dominica, Eugenia Charles, to inform her. She picked up information in Dominica that the opposition party was involved. There had been wiretaps and other information out of Antigua to indicate, indirectly at least, that the opposition was involved. So she called me and said, "Rob, I've got to have more information about this." I said, "Well, I'll be glad to tell you everything I know. It's not a lot."

She said, "I'm flying up to New York. Come up to New York and meet me. We'll have dinner together and you can give me everything you know." She tried to prosecute the ring leaders, but she just didn't have enough evidence. But she did discredit the opposition. There was enough suspicion. It was an intriguing little story. Charles became an ardent supporter of the Reagan Administration. She took many courageous, principled stands and gained international attention. I had another incident. Baby Doc.

Q: Baby Doc Duvalier of Haiti.

WARNE: Baby Doc was going to close down a radio station and suppress the free press. The Department sent me to tell him that this was a no-go proposition. We would take great exception if he closed down his free radio stations. The ambassador and I saw him. There was no other Haitian there. Just Baby Doc and the two of us. And I gave him the message (in my rather limited French, but I was able to get it across) and told him that he was putting our relationship at risk if he closed down the radio station. He didn't say a word. He just looked at us. He was behind this massive desk and I was afraid he couldn’t hear us. He got the message. The radio station was never closed. The Caribbean was turbulent. The aftermath of the coup in Grenada. A left wing group of thugs took over. An insurrection and coup in Suriname. Drug trafficking and corruption in the Bahamas.

Insurrection and instability in Guyana. There was something popping up every week. It was just an amazing Desk.

Q: What happened in Guyana?

WARNE: In Guyana, as you know, Cheddi Jagan, during the Kennedy White House, was considered to be a Communist. He was certainly a fellow traveler, if not a Communist. I didn't know any of the real inside story. It's come out recently in the press that the CIA did do some things against Jagan. But my role essentially was trying to urge more democratic and open-minded government and an improved relationship with Guyana. This was after Jonestown.

Q: Jonestown being where some 900 followers of the Reverend Jim Jones committed mass suicide.

WARNE: I went to Guyana a couple of times, once on a speaking trip to reinforce the U.S. role of trying to help. We had a modest aid program. My main role, in all those islands and small countries, was to bring a more concerted aid program together. I worked closely with the World Bank, through a consortium of donor and recipient countries. The IMF, examined each country's economy, what they could do to stabilize the economy. The donors committed aid, on a multilateral basis to help to revive the economies. In about half of them we made substantial progress. We did quite a bit. We were not successful in Guyana. The Guyanese were not willing to take the adjustment measures necessary to stabilize the economy and improve the investment climate. The situation deteriorated and the US role was marginalized. We were making some major progress in Suriname, with Dutch help (the Dutch were the leaders of it), when the whole thing blew up. A Sergeant took over the government.

Q: Well, he was sort of a bête noire. How about in Suriname? After this Sergeant came in, it was a rather bloody little...

WARNE: Yes, it was. And our ambassador, who was an American woman...

Q: Nancy Ostrander.

WARNE: Yes. Poor woman, she was really isolated in that situation.

Q: I don't think she even had a DCM.

WARNE: She took refuge, really. There was a head of state, and he gave her protection. I never was fully satisfied with the way we handled that. There wasn't a lot we could do. We obviously were not going to intervene. We couldn't get the Dutch to intervene. We cut off our aid. We put out a statement, putting faith in the democratic process. It was a mistake for a group to take over the government. We urged a return to democratic, constitutional norms. The economic situation deteriorated. US companies had a major financial stake in a bauxite mine there. I worked with Alcoa, as well as with the Dutch, to

keep that operation going. Through our embassy in The Netherlands we coordinated a joint approach. The Dutch never had the courage, I thought. They had the resources. The Surinamese were dependent on their aid. The military government persisted for years and disrupted a stable, relatively prosperous society.

Q: Really, the reverse would have been true with the French, who would...

WARNE: Have just marched in and cleaned it up. And the Dutch weren't going to do that. I actually went to the Netherlands on one occasion to talk to them personally about it. But I never had a success. And I don't think our administration had the backbone to do anything, which was unfortunate. I think, if we had been more forceful early on, we might have nipped that coup in the bud. And Suriname's gone downhill ever since. It's still struggling under those problems. It was very unfortunate.

I had a couple of other situations. I had a real problem in Antigua at one time, and had a few minor problems and other insurrections.

Through that experience, we cooked up the CBI (Caribbean Basin Initiative). Phil Habib asked me to join him on a trip through the islands. And we put a proposal to Vance about how we needed to make a more concerted effort, that here were our neighbors that were going downhill, that they were all, for the most part, democratic and open, but were impoverished, and what we could do to help them out. And that was the seed of the CBI, which I subsequently, in another tour, administered for a couple of years.

Q: When the Reagan administration came in, what were the atmospherics in ARA?

WARNE: Well, the atmospherics were terrible, in a couple of ways. One is that the secretary demanded that we take a very strong line on Cuba. Cuba was not within my area, but it dominated much of the ARA effort. But we never knew quite what to do. I can remember the acting assistant secretary, after they just swept out the rest of the Bureau, calling in all of the Latin American ambassadors and saying, "We won't tolerate what's going on in Cuba. We expect change." But we never said what the hell we were going to do if they didn't change. It was just a bluff. And it was a mistake; we should have never said it, because we weren't going to carry through. Everyone knew we weren't going to go to war with Cuba. It was silly.

So it was a very hostile period. And that was true with Grenada, too. As I said, I took a very stern line on Grenada. I can remember our ambassador in Bridgetown, Sonny [Sally Angela Shelton], made a request to go over and say her farewells to the Grenadian authorities. She'd gotten dumped after Reagan came in. And the instructions came back and said, "Don't go near the place. We don't want to have any friends with them at all." So we didn't really know what was going on.

Certainly, Seaga got whatever he wanted, and some of the other countries.

Q: This is one of these sort of political things, particularly when a new administration comes in, where some sort of darlings reflect what they want, and particularly if they happen to be new on the scene, too, are picked up. Were you there when Grenada was invaded?

WARNE: No, I wasn't. Let me jump over that, because it was a rather interesting story.

I was the DCM in Jamaica at the time Grenada was invaded. Actually, we had a new ambassador. I'd been chargé for about six months, and a new man had just been in the job for a couple of months. The embassy was cut out of the Grenada preparations, for the most part.

Seaga went down to a meeting in Bridgetown and made a commitment, at that time, to send Jamaican military forces in to help out in the invasion, so it could be a multinational force.

We were never given any advice as to what these arrangements were, and we never knew when the invasion was going to be. But it was evident that it was going to be coming that night. There were enough press reports; BBC, particularly, was carrying reports of U.S. troops and ships building up around Grenada. I can remember, on several occasions, various ambassadors coming in and wanting me to brief them on this or that. And this was all I had; I just drew on press reports.

So that night of the invasion, I asked our communicator to stay in, and I stayed in the embassy. I asked the military attaché to join me.

The prime minister called me, about five o'clock, and said, "Rob, we think tonight's the night. Will you be sure to let me know when you want me to fly my troops down."

I said, "Mr. Prime Minister, I'll be glad to tell what I can. But I don't know anything about what's going on."

So I sent a flash message to Washington, saying that Seaga had just contacted me and said that he had a problem. And that was that he had only one Air Jamaica plane that was large enough to fly a company and a half or something of troops down with their equipment. He had been keeping them there at the airport for the last several nights, and they needed to service the airplane. He needed guidance right away as to whether they could pull the plane off the line and service it. I said, I just didn't know what to say to him. So I sent this flash message, saying would you please give me guidance on what's happening and what I should tell the prime minister.

I waited about an hour and a half, and I got no reply. So I called the Operations Center. We didn't have a secure line at that time, and I just said, "I sent you a message not long ago. Could you send me a reply back." Seaga had been calling me on the half hour.

The guy I got hold of switched me over to the task force in the Operations Center. And they bawled the hell out of me. They said, "You had no business calling us in the open like this! Don't do it again!" Bang.

I didn't know what the hell to do, so I sent another flash message, and I said, "Please give me advice."

And it went on like this all night. Never an inkling.

In the morning, just as the sun was rising, there was a BBC report saying that troops were landing on Grenada.

The prime minister called me and said, "I don't want to ever talk to you again. You son of a bitch, you have just destroyed me. I made such a commitment here, and you cut me out. You son of a bitch."

I didn't know what to do. I just felt terrible.

Do you know what Seaga said? He said, "I don't give a damn what you're going to do. I'm going to send my troops down." And he sent them over to the airport.

I said to the defense attaché, "What the hell are we going to do now?"

And he said, "I'm going to send an open message to my counterpart in Barbados and say he's got a package on the way." And he did.

The Jamaican troops landed on Grenada on the second day. Seaga called it a great victory.

He called snap elections and won all the seats in the parliament. Of course, the opposition refused to run, because they said that this was intervention in the internal affairs of another country and so forth. But Seaga and the Jamaican people were overwhelmed with victory.

They just strictly cut me out of it.

Q: Before we leave your time in ARA, what about some of the personalities at the top? Was Tom Enders there when you were there, most of the time?

WARNE: Tom Enders was there for part of the time. And then Bill Bowdler was there.

Q: He had been there before, and he was summarily...

WARNE: Kicked out. Tom was there just at the start of the administration. He was very good. I really enjoyed the way he ran the Bureau. He was very swift and clear. And no writing memos. Decisions were made, bang, with Steve Bosler, who was the principal.

And then, after that, Elliott Abrams. I enjoyed Elliott. Elliott was a very good administrator. I don't think a lot of people give him credit for his managerial skills. He has a very keen intellect. I admired all three of the bosses. But my principal person that I worked with during most of that time was John Bushnell.

I am confusing periods, I've got to admit. I was in the Bureau for a stretch of several years. I joined the Bureau, as I said, in '81 [sic], and during that period, there was Bill Bowdler, at first. And then I left to go down to Jamaica in '81. When I came back, it was Bowdler, Enders, and then Elliott Abrams.

Q: Well, then let's talk about Jamaica. You were in Jamaica from when to when?

WARNE: I was in Jamaica from '81 to '84.

Q: What was the situation?

WARNE: I came in just after Seaga was elected, and stayed during the first part of his administration.

Q: How were our relations then?

WARNE: Our relations were very good. The first year was a very good year, because I had an old, seasoned, career ambassador to work with.

Q: Who was that?

WARNE: Loren Lawrence, a very affable and friendly guy, whose main mission in life was to get along with Seaga. And he did that very well. Seaga used him very well.

I'm not sure that all was in our interest, to be honest. I think there were sides of Seaga that became more apparent as we went along. He was not a good manager. I think probably there were some aspects of him that we didn't fully appreciate, on the corruption and ruthless side. But certainly we were committed to him.

Despite all of our aid, the country didn't turn around. If anything, it was depressed. He had some bad shots. He had the depressed bauxite. The difficulties of criminality and theft against tourists hurt him. But he didn't manage the situation nearly as well as he thought.

He was a very arrogant and difficult person to work with, in some ways. But Lorie got along with him superbly. And, as chargé, I got along with him well. I had a stint of more than six months. But it was during a terrible time of a drought, and they really didn't have any water for parts of the city. Seaga asked me to do an emergency program to bring water in.

We had a large AID program. We built up our AID mission very, very rapidly there. Probably we were not well oriented in our AID program, and I don't think it was a great success, to be honest.

And then we brought in Bill Hewitt, who was the former CEO of Deere and Company, who had never had any governmental experience.

Q: Agricultural and farm...

WARNE: Equipment. Bill was a very fine guy, but was just not the right person to be an ambassador. He just didn't have, I didn't think, much in the way of political intake. It was an unfortunate match, I thought. But he did his best to get along with Seaga. He was very committed.

But he resented me very much in my relationships that I had developed with the opposition, which subsequently came into power. In fact, once, he told me he was going to get me for meeting with the opposition.

Q: This sometimes happens, particularly with political appointees, who don't really understand the long run.

WARNE: Not only that, but feel that you're not being correct in your handling of diplomacy, to meet with the opposition. But Seaga understood. He never called me down for it. In fact, I was quite open with him. And Seaga shared a lot of confidences with me.

In fact, one time, I was really chagrined. Hewitt had to go to Japan just at the time when Seaga decided to hold his snap election. He ordered me, before he left, not to tell the Department about all these plans and everything.

Q: That he was going?

WARNE: No, no, that Seaga was going to have his snap election, and he was going to redo the government, and how he was going to deal with the opposition and so forth. It was almost anti-democratic, what happened. I said, "Well, Bill, what can I do?"

And he said, "Well, if you really feel you have to send a message, here are my numbers in Tokyo. Call me and I will assess it."

So I called him in Tokyo, and I said, "I really feel the situation has gotten to the point where I have to tell the Department."

He wouldn't let me do it.

He had worked out an arrangement with the station chief, and the station chief was doing the reporting. So I essentially got cut out of it.

Q: That's very serious, of course.

WARNE: When I got back to Washington, I told the Department that I really was upset with the way that was handled. And they said, "Well, we knew what was going on. It didn't make that much difference." My political section, obviously, was really distraught, but what could I do?

So I think Bill didn't really have confidence in the State Department; not only me, but the whole political section, and maybe some of the economic section. He just felt that maybe we were too open or we didn't know how to protect secrets or whatever.

Q: Also, there can be this fascination with the CIA station chief. It's enticing to feel that you really are...

WARNE: In the know?

Q: In the know. And, of course, it was an era of William Casey being the head, and the Republican administration was...

WARNE: They cooked up one idea that I really strongly opposed, and that was, Casey was going to come down and visit Seaga. And I said, "There's no way you can do that. This would be a serious mistake. There's no way you could cover it up. If it ever got out that he'd been down here, and he'd been that close to the CIA, it would damage everybody."

No, I had a very difficult time. Bill asked me to stay on for another year, but I just found it an unworkable situation. He let me run the embassy. I did all the work during that Seaga era. He was home during the time when we did the Grenada thing.

I had one political officer, who was not a leftist, but was sort of open minded, who was sleeping, maybe, with the editor of the newspaper or something. And the Agency got on her back a little bit. But I never felt that she was confiding secrets to anybody or anything.

Q: Oh, boy.

WARNE: Boy, I had some tough ones. But Seaga and I got along well. I mean, he's still a good friend of mine. We trade letters and cards. But I didn't trust him.

Q: Well, you came back and did what?

WARNE: I was the director of the Economic Bureau, the Economic Office in Latin America, for two- plus years. And I ran the CBI program for State, and also did a lot of economic work.

Q: This was from when to when?

WARNE: That was from '84 to '86. My main effort was on Central America. That was under Elliott Abrams. I did a lot of work in putting together what was then called the Kissinger Plan for economic development.

Q: Was the Kissinger Plan a real plan, or was he dragged in as a sort of sideshow for pursuing the Contra business and all that?

WARNE: A little bit of both. It was a real plan, and we had a lot of aid effort. But I never felt that we had the discipline in the use of that money to make a difference. I was convinced that, if we were going to do a program, it would be much like the one that we tried in the Caribbean, where we'd get the IMF and the Bank involved, and we would do a thorough analysis and come up with a solid action plan, where the governments had to make commitments to stabilize and to open and to really rejuvenate their economies. That's what I argued about, and, frankly, it just rolled right over the top of them. So I thought a lot of the aid was misused. It was just a short-term payoff. But it was a very substantial program.

Q: For the record, this is about the conflict with Nicaragua, essentially.

WARNE: Well, Salvador, too.

Q: But it was the left versus the right.

WARNE: And it was trying to contain the Contras and also to prevent the insurrection in Salvador from getting out of hand. I was handling sort of the economic side of it with AID.

Also, the Caribbean Basin Initiative was a big effort at that time, and we did quite a bit. I went around and negotiated and settled agreements with all those countries on CBI.

Q: Was this Caribbean Initiative a real program?

WARNE: It had a substantial program. The main thing was the preferential trade arrangement. And I think it made a big impact. But it was a long-term program, and it wasn't going to turn things around right away. It certainly helped solidify our effort in the region, and we had congressional support for it. It didn't make as big a difference as we hoped, because, frankly, it depended on those countries' ability to organize their trade to take advantage of it, and a lot of them were slow in responding, such as Jamaica.

And then, finally, my last tour, I went to Paris. Actually, I did it as a last choice. I wanted to leave the Bureau. I felt that I had had enough of working on economic affairs, and I wanted to go overseas as a DCM or ambassador. At that time, I was a minister-counselor, and had been a minister-counselor for three or four years. I ran in competition for about six or seven DCM jobs, and I didn't get one of them. And it finally came down to

Caracas. They had a new ambassador, not a career guy, and he chose a different candidate. So I decided to throw the towel in.

I took the job of economic counselor in Paris, as sort of a final assignment. I was in Paris for two years as the man in charge of trade and agriculture and energy and social affairs and labor affairs. I had a wonderful two years. My family and I enjoyed it immensely.

I was elected, among the 24 countries, as the chairman of the trade committee working party and ran the preparations for the Uruguay Round, which was very exciting. We developed some new guidelines for services and for investment and intellectual property protection. It made a substantial contribution to the Round. Got some new guidelines, which developed into the final agreement on agriculture. So we did a lot during those two years.

But I had decided to get out of the Foreign Service. I decided that, since I wasn't going to be an ambassador and I couldn't even get a good DCM job, I ought to go do something else.

Q: When you were in Paris, what was your attitude towards the French and how they viewed us and how we dealt with it? It always seems to be a stormy relationship. Very interesting letter from the French ambassador in the paper today.

WARNE: I saw it. I thought it was well written. I enjoyed it. I had no resentment against the French. I enjoy the French. They're wonderful people. I had a lot of good French friends.

In fact, I had an interesting experience in France. Suzy was here in Washington to take care of our daughter's wedding preparations. This was during the time when there were a lot of French terrorist bombing activities. They identified our apartment as a place where an American diplomat was living. And they just one day called me up and said I couldn't go home, that this was a threat. I said, "What do you want me to do?"

He said, "Get out of town and go stay in a hotel."

So I called a French friend and asked if I could go stay with him in Nice. He had an apartment. So I spent ten days with him down there, and I had a wonderful time.

We still have three or four French friends that stop by. No, I didn't find any problem with the French at all.

Q: Who was our ambassador when you were there?

WARNE: Ed Streator was our ambassador to the OECD.

Q: You were with the OECD.

WARNE: I was at the OECD, yes. And then the last year was Dennis Lamb. Two entirely different personalities.

The OECD was a fascinating place, and it's been very useful. In fact, I just got back from a week at the OECD, where I looked up a lot of the old people I worked with. I did an audit of the Korean effort to get into the OECD, and found that it's even a more vital organization for U.S. interests today than when I was there. It's a sleeper. A lot of people don't know much about it.

Q: Could you explain, what is the OECD?

WARNE: The OECD is a group of 25 countries that have structured themselves to look at international economic issues and collaborate together in dealing with these issues. It's an outgrowth of the Marshall Plan, in which, just after the war, as you know, the U.S. helped with the reconstruction of Europe. And coming out of that was the OECD. It was originally a community which the U.S. planned to coordinate the aid effort, the purpose of which was that we agreed that we would provide substantial financial aid if the Europeans would, in turn, structure their economies to revitalize their industry and reconstruct the war-torn countries. And the OECD was the framework for the aid program.

Well, it evolved from a major bilateral aid effort to a collaborative effort to manage the world economy, mainly focused in Europe, but throughout the world. And it now has about 16 major directors, handling everything from trade to environment to finance to education to social affairs, labor, industry, and all of the major areas of economic activity, globally. Its purpose is to try to identify emerging problems and to develop, first, an analytical basis for the ways to deal with the problems, and then, secondly, to come up with recommendations and then proposals for governments to take in the way of policy actions. For example, there are five issues that I was dealing with when I was in Paris this last week.

I can give you examples of the things. One is what to do about the stagnant and large unemployment in Europe and, somewhat, in the United States, what policy measures to be taken in the way of training, revitalizing the economies to generate more employment.

Another issue that they're dealing with is the aging population in a number of the member countries. The population of Belgium is projected to decline by ten percent over the next decade. What are the economic consequences of these demographic changes, and how do you cope with them?

A third area that I was dealing with was a new initiative to open up investment worldwide. We're negotiating a new investment instrument that would have a much higher discipline for countries in handling foreign direct investment.

A fourth area was how to restructure the International Energy Agency to better cope with the changing oil situation, particularly on how to help develop oil in the Caspian Sea and in Russia.

A fifth area was concerning new guidelines for environmental issues. How should trade negotiators take environmental concerns into account, and the impact on the environment of expanding trade and new trade opportunities. We're working out some new guidelines.

These are the types of issues. They're very nitty gritty things that a lot of people don't pay a lot of attention to, but are important.

Q: I think this is the sort of thing that I'm trying to bring out in these oral histories. Foreign relations aren't just coups and elections and things like this, but underlying it is a tremendous economic web, where the United States plays a leading role in trying to meet crises. And this is what we're getting.

WARNE: Well, for example, during the time I was at the OECD, my main interest was trying to get a consensus among the major trading countries of the world of what we wanted to do in the Uruguay Round trade negotiations to restructure our trade relations. We were, for the first time, advocating that we should have discipline on investment that all of us could agree to: national treatment, right of establishment, of transparency, of rules.

Another area was on intellectual property protection. What should be the copyright rules, and how could they be standardized worldwide to protect U.S. companies and others from invasion of their copyrights.

And then a third area, for the first time, we were taking up services -- accounting, business services, financial services worldwide -- and what disciplines could be established in this new area that is now the most important part of our trade. It's the most important part of our economy, and we don't have any international disciplines in these areas.

We were able to adopt, in the working group that I was chairing, a consensus. And we worked at it very hard. I had a mandate. Every week I would be putting forward a new paper and a new proposal, and we would dialogue about it, and we would get countries to react to it, and then we'd draw up some guidelines. I had a steady stream of people from Washington that would participate in this. We had people from USTR, primarily, that would come out and help me in the preparation of this. And we got a very good working framework out of the 24 countries, which we submitted to the Geneva negotiations, which were the basis for these agreements. So the OECD played a very good catalytic role in getting this Round.

We did the same on agriculture. We analyzed the cost of subsidies on all the major commodities, and we compared the amount of subsidies among each country, and then

began to create a framework for how these subsidies could be reduced. We got a very substantial first step, not a final step, in an agricultural agreement out of the Rounds.

So, yes, we made quite an impact on it. And, as a result, trade will expand substantially in Western Europe.

Q: Rob, I want to thank you very much.

WARNE: Well, Stu, we wound it up.

End of interview