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*Interviewed by: Alexander Shakow
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TABLE OF CONTENTS

Background	
Born in Brooklyn, New York	1927
BA in Economics, Brooklyn College	1944-1950
U.S. Navy, Medic	1944-1946
MA in Economics, University of Michigan	1950-1951
State Department Civil Service	1951-1953
Intelligence Research Analyst/Specialist	
Instructor in Economics, Vassar College	1954-1955
Entered the Foreign Service	1955
Seoul, South Korea—Foreign Service Reserve Officer	1956
Economics	
President Sigmund Rhee	
Joined the Development Loan Fund	1959
Washington, DC—Loan Officer	1959-1961
Infrastructure projects	
USAID formation	
Presidential Task Force of Foreign Aid	
Economic Mission to the Philippines	
Economic Mission to Thailand	

Joined the Agency for International Development	1961
Washington, DC	1961-1967
<ul style="list-style-type: none"> Director for Capital Development and Finance, Far East Bureau Organization Capital assistance Private sector development Millard Pryor Reorganization of foreign assistance Korean CIA Vietnam Indonesia “Berkeley Mafia” Jagorawi Highway Philippines Taiwan Far East Bureau Reorganization 	
Washington, DC	1967-1972
<ul style="list-style-type: none"> Director for Capital Development and Finance, East Asia Bureau Development Loan Staff Committee U.S. International bank AID Regional Bureaus Reorganization 	
Washington, DC	1972-1977
<ul style="list-style-type: none"> Deputy Director, Office of Project Development Visits abroad Flood rehabilitation Israeli-Arab war 	
Washington, DC	1977-1983
<ul style="list-style-type: none"> Director of the Office of Project Development Troubleshooting Disaster assistance Syria Israeli seawater desalination U.S.-Portuguese Economic Commission Earthquakes Water negotiations 	
Retirement	September 1983
Post retirement activities	

Washington, DC Executive Representative for Bechtel Financing Services, Inc. Financing packages George Shultz Gulf War Lessons	1983-2008
Washington, DC —Consultant, World Bank Dead Sea	2008-2012

INTERVIEW

INTRODUCTION

I appreciate the opportunity to present an oral history of my career in foreign affairs, and hope that it provides helpful historical context and lessons for future generations. This project began as a series of interviews with Alex Shakow and I would like to thank Alex for his efforts and help in drawing out many of my career experiences. Since I have considerably more information that I wish to include that reflects my working career, including much detail that I have drawn from my government and private sector career from my “Memoirs” written in the year 2000, I reorganized and expanded on the information contained in my oral interviews, in a chronological sequence. In doing so, I also changed the presentation format and did not include Alex Shakow’s questions in the presentation that follows, but tried to respond to them. I also wished to show how my experience in one job was a building block to prepare me for my next job. Thus, my presentation of my career begins with my education and military service, and proceeds chronologically through my service in the U.S. Government, my tenure at the State Department, the Development Loan Fund (DLF) and the Agency for International Development (USAID). My presentation then turns to my private sector experiences after retirement from the government with the Bechtel Corporation and also including an assignment with the World Bank, as a member of a Panel of Independent Experts.

My Early Years

I was born in the year 1927 in Brooklyn, New York. Calvin Coolidge was the 30th President of the United States, succeeded by Herbert Hoover in 1929 and then by Franklin Delano Roosevelt, who served from 1933 to 1945. As I look back to my early years, what historical events do I remember most? The 1930s were principally dominated by the great depression, which affected not only the United States, but also Europe and other parts of the world. This time period also marked the rise of the Nazi Party in Germany and the subsequent Nazi invasions throughout Europe (starting in 1939 in Poland) as well as the war with Japan, starting in 1941.

College Education

Following my graduation from Eastern District High School in Brooklyn, New York in 1944, I entered Brooklyn College in September 1944 as a pre-medical major. During the semester, I enlisted in the U.S. Navy and was called to duty in May 1945, after completing my freshman year at Brooklyn College. My military service will be discussed in the next section. Following my return from the military, I resumed my education at Brooklyn College in January 1947, but decided to change my pre-med education career path (perhaps, my Navy service as a medic on a ship in China had some influence). I chose economics as my new academic major and political science as a minor. I graduated Brooklyn College in January 1950, and immediately thereafter began work toward my Master's degree at the University of Michigan in Ann Arbor, Michigan, which I completed in January 1951. I returned to the University of Michigan in 1953 to continue work on my Doctorate in Economics, which I never completed. In July 1977, well into my U.S. government years, I was selected by USAID to participate in the Program for Senior Managers in Government at Harvard University, presented by the Harvard School of Business and Kennedy School of Government.

Important Academic Influences in my Career Path

Professor Martha Steffy Browne, who taught Economic Geography at Brooklyn College, was an important influence in my career path, steering me to the University of Michigan and thereafter to the State Department. Professor Browne served in State Department intelligence research starting about the late 1940's.

She was the first women to obtain a Doctorate in Economics at the University of Vienna. In about the mid-1930s, she and her husband left Vienna for London, and then relocated to the United States. She was an important influence in my decision to join State Department intelligence. We continued a close friendship for many years and she recommended me for the Brooklyn College Distinguished Alumni Award, which I received at the Brooklyn College graduation ceremony in June 1981. She also urged that I get to know Professor Carl Remer, who taught International Economics at the University of Michigan. He served with the Office of Strategic Services (OSS) intelligence research in the mid-1940's and was a Professor at Yenching University in Beijing, China in an earlier period. Professor Remer also was an important influence in my career path to joining the State Department Office of Intelligence Research (as it was known at that time). The Office of Intelligence Research (OIR) was formed at the end of World War II when the Office of Strategic Services (OSS) was divided, with the clandestine operations of OSS going to the Central Intelligence Agency and the research arm of OSS going to the State Department. Later on, the Office of Intelligence Research became what is known today as the Bureau of Intelligence Research (INR).

My Military Service

I enlisted in the U.S. Navy in December 1944 and as mentioned earlier, was called to duty on May 9, 1945. Two days earlier, the Germans had surrendered and three months later, the war in the Pacific ended with the surrender of Japan. Since I was pre-med in

college at that time, after basic training, I was assigned to U.S. Navy Hospital Corps School at the U.S. Naval Hospital in San Diego, California for a few months of training and graduated as a Navy medic. After a few short term hospital corps assignments, I was transferred to Honolulu, where I was assigned as the Medic on a U.S. Destroyer, the USS George in late 1945. We departed Honolulu, traveled the South Pacific with a stop in Guam, and arrived in Shanghai, China in February 1946. In Shanghai, I was transferred to the hospital ship, USS Repose (AH-16) which serviced the U.S. Seventh Fleet and was anchored at Woo Sang on the Wang Po River, facing Shanghai. I was assigned a laboratory technician, doing lab work in blood chemistry and hematology, among other things. During my Navy liberties, I had much opportunity to see Shanghai and travel in and around the area. Overall, the city of Shanghai was in reasonably good shape. Though, Shanghai was occupied by the Japanese, I don't believe the city was bombed before the Japanese departed. Shanghai was an important commercial center, yet much poverty existed in and around Shanghai. Perhaps my China stay had prepared me for an interest in a career at AID in observing poverty and anticipating how it could be addressed by economic development. I also have memories of a large building, close to the Wang Po River at the Bund in Shanghai---the First National City Bank building, which had bronze lions on each side of the steps leading up to the bank doors. When you look at the paws of the lions, they were always shiny. They were shiny because when many of the Chinese nationals went by the bank, they would rub the paws of the lions for good luck.

After my six months in Shanghai, the U.S. Seventh fleet, including the hospital ship, USS Repose, relocated in July 1946 to Tsingtao, located on the North China Sea, a city developed by the Germans after World War I. I also had much opportunity to see Tsingtao and the surrounding area, and developed an appreciation for a city digging out from Japanese occupation and much poverty, in and around the city. After three months in Tsingtao, I returned to the United States on a troop carrier, awaiting discharge from the U.S. Navy which was completed in December 1946. My military service in China at the end of World War II was an important influence in my decision to change my career path from pre-med to economics and political science and my decision to pursue a career in international diplomacy and economic development.

State Department Years (1951-53, 1955-59)

I spent six years in the State Department with a 20 month interruption. My first two years (1951-53) were under Civil Service and my next four year tenure (1955-59) was as a Foreign Service Reserve Officer. I was assigned as an Intelligence Research Analyst and later an Intelligence Research Specialist in the Division of Research for the Far East, Office of Intelligence Research (OIR/DRF). The Office of Intelligence of Research later became today's Bureau of Intelligence of Research (INR). The Korean War in 1951 was still underway at the time. During most of the period, Harry Truman was President of the United States and Dean Acheson was Secretary of State. Dwight D. Eisenhower assumed the Presidency in January 1953, with John Foster Dulles as his Secretary of State. Because no State Department tenure was provided with the personnel expansion during the Korean War, and because of a 10 percent cut in State Department personnel, I got caught up in a reduction in force and left the State Department in June 1953. What next?

I decided to return to the University of Michigan to work on my doctorate in economics, and after a year, in September 1954, I accepted a position at Vassar College in Poughkeepsie, New York, as an Instructor in Economics. The position was funded by the Ford Foundation. Though, I never completed my doctorate, the year at Vassar was a very productive. On a happy note, my year at the University of Michigan is where I met my wife to be.

In early 1955, while I was being cleared for a position with the Central Intelligence Agency (CIA), I was contacted by a former colleague in my former State Department office (OIR/DRF), informing me that the State Department freeze on employment had been lifted and I was invited to return to my former employment at State, as a Foreign Service Reserve Officer. Thus, I withdrew from the CIA offer and in July 1955, I returned to State/OIR/DRF.

During my first two years (1951-53), I worked on various research projects on the Japanese economy. I also contributed to intelligence briefs that were provided to the Secretary of State's office every afternoon. During the four year period (1955-59), most of my assignments focused on South Korea including trade, industry, finance and overall economic development. I contributed to daily intelligence briefs which were sent to the Secretary's office every afternoon. I also wrote and contributed to economic reports on the North Korean economy. Two of my bosses in the Economics unit, Leonard Felsenthal and Sidney Sober were very helpful as I developed my writing skills for intelligence reporting.

During this period, I was assigned to prepare the trade and finance chapters on South Korea for the National Intelligence Survey (NIS). The NIS was a document which was covered many countries, including South Korea, with inputs from State, Central Intelligence Agency (CIA), Army Intelligence (G-2), and the Office of Naval Intelligence (ONI). During this period, I also interfaced with these agencies in the preparation of National Intelligence Estimates on South Korea. To carry out my assignment on South Korean trade and finance, I travelled to South Korea in July 1956, working on this assignment for three months before returning to the U.S. in October 1956. Luckily, during my Korean assignment, I was able to occupy the home of Economic Counselor, Ed Cronk, located on Embassy Compound #2. He was returning to the United States on home leave.

I travelled throughout South Korea, from Seoul to Taegu to Pusan as well as cities on the East and West coast of South Korea. I visited many industrial plants and commercial entities, such as banks, insurance companies and other financial institutions. I returned to Washington in October 1956, after a stop in Japan to consult with Army G-2. I completed my written report on South Korean trade and finance and submitted it for incorporation into the National Intelligence Survey for South Korea. My work on South Korea put me in contact with officials of the International Cooperation Administration (ICA) in Seoul and in Washington which gave me a good appreciation for South Korea's economic

assistance program and was most helpful in my subsequent employment with the Development Loan Fund (DLF) and USAID.

During my South Korean stay, I had the opportunity to attend the inauguration of President Sigmund Rhee on August 15, 1956. I also met President Rhee at a reception in his honor that evening and we exchanged pleasantries. At the reception, I also had the opportunity to renew my acquaintance with Shin Byong Hyun. I first met Shin in 1951, when he was working on his Master's Degree in Economics at George Washington University and he came to see me to obtain current information on the South Korean economy. In 1959, he returned to Washington as Economic Minister at the Korean Embassy. In later years, Shin became Governor of the Korean Central Bank, Minister of Commerce and Industry, Deputy Prime Minister and Minister of Economic Affairs. He also served in the Blue House as an Assistant to the President. Who would have thought that helping a young Korean graduate student with his Master's thesis would provide an important Korean Government contact and a dear friend for many years?

In early 1959, I applied for lateral entry into the career Foreign Service, because my FSR appointment only covered a five year period. Later, in 1959, I was informed by the State Department Board of Examiners that I was accepted for entry as a career Foreign Service Officer. However, almost concurrently, I was informed by a friend who worked in office of Undersecretary of State for Economic Affairs, C. Douglas Dillon, who was also Chairman of the Board of the Development Loan Fund (DLF) of an opening for a loan officer position at the DLF. I applied for the job and I received an offer to join the DLF as a Loan Officer, and at higher grade than offered for my Foreign Service conversion. It was a tough decision; but because of my interest and academic training in finance and for other considerations, I opted to join the DLF. Thus, began my economic assistance career.

Development Loan Fund

On August 17, 1959, at the age of 32, I joined the Development Loan Fund (DLF) as a Loan officer with responsibility for Southeast Asian countries. The DLF was located on 15th and L Street, NW in Washington, D.C.; in 1961 and DLF moved to the corner of Pennsylvania Ave. and 20th Street, NW in Washington, D.C. The DLF came into existence in 1958 as the development loan arm of the U.S. government to provide loan assistance to developing countries. This is in contrast to the International Cooperation Administration (ICA), the official U.S. aid agency at the time. While most of the financing that ICA provided were grants to governments, the DLF had the authority to lend to both governments and the private sector, including to U.S. firms eligible for DLF financing that would invest in Third World countries, eligible for DLF financing. The DLF also administered the Cooley Loan Program, whose resources came from Section 104(c) under PL 480, which provided for the sale of agricultural commodities. The DLF had an annual budget of \$300-\$400 million for lending to eligible client countries and firms, with loans repayable in U.S. dollars.

When I joined the DLF, it was a small organization. In fact, I was about the 90th employee hired. At its maximum strength, the DLF had about 150 employees, but ICA and U.S. Export-Import Bank supported many of its administrative functions. The DLF was not a bureaucratic agency, and I always had access to top management, when I needed it. The DLF was headed by a Managing Director, who reported to an interagency Board of Directors, which was chaired by the Undersecretary of State for Economic Affairs, and included representatives of U.S. Treasury, Commerce, State, Federal Reserve and Export-Import Bank. At the time, Undersecretary of State for Economic Affairs, C. Douglas Dillon, was Chairman of the DLF Board. When I joined, Ambassador Dempster Macintosh was Managing Director, to be followed by Vance Brand and Frank Coffin. My first boss at DLF was John Ulinski, who headed the Southeast Asia group, but we also had responsibility for Sri Lanka, Tunisia and Taiwan. Ulinski was a good delegator and gave me the opportunity to grow rapidly as a Loan Officer and then a Senior Loan Officer. When I joined DLF, Ulinski was on home leave for about a month, so I was in charge, but received much help from DLF staff. Very early on, I was given the opportunity to make presentations to the DLF Board of Directors for loans being proposed for Board approval.

In 1960, regional responsibility at the DLF was reassigned. John Ulinski became Regional Director for the South Asia Division and Ralph Philips became Regional Director for the Far East Division, I was assigned to the Far East Division as Senior Loan Officer with responsibility for Southeast Asia. In May/June 1960, I took my first trip to Southeast Asia and visited Bangkok, Kuala Lumpur and Jakarta, traveling via Tokyo and Hong Kong. The purpose was to familiarize myself with a number of our financed-projects and to review future projects for financing. I spent five weeks traveling throughout the area. I met with many government and business officials in these countries. This was my second Asian trip (other than military service in China), and would lead to a long string of official travel to East and Southeast Asia and other parts of the world during my government and private sector career.

Some of the important projects in which I played a key role at DLF include the following:

In Malaysia, the North Klang Straits port project and a road and bridge project (two \$10 million credits).

In Indonesia, a railway development project, a port and harbor development and an automotive manufacturing facility (all loan-financed).

In Thailand, a Bangkok meat processing plant, Bangkok power distribution and dredge for harbor clearance project (all loan-financed).

In Vietnam, the Saigon-Cholon water project, Thu Duc power project in Saigon and financing for 23 GE diesel locomotives for the Vietnam Railway System.

In assessing my two and one-half year tenure with the DLF, I must conclude that my work at the DLF was one of one of the most satisfying government experiences that I

ever had. DLF was a very small U.S. government agency, not bureaucratic, and everyone was professionally competent and friendly. I was given much independence to operate and could deal directly with the Managing Director of the DLF and his deputies, when necessary, even at my mid-level grade.

In November 1960, John F. Kennedy was elected the 35th President of the United States and assumed office on January 20, 1961. At that time there was talk about the “Decade for Development.” This theme of the Kennedy Administration provided for the creation of a new foreign assistance agency. It was called the Agency for International Development (USAID), and it combined the International Cooperation Administration, the Development Loan Fund and other assistance programs into a new expanded aid agency.

Presidential Task Force of Foreign Aid- In April/May 1961, I was asked to join the President’s Task Force on Economic Assistance, Far East Program Development Group. The purpose of the Task force was to recast the foreign economic assistance programs for all Far Eastern countries to conform to the priorities of USAID, the new foreign assistance agency. It was also in accord with President Kennedy’s new foreign aid concepts that made up the Decade for Development, particularly greater participation of the private sector. The Task Force members included James Fowler, who chaired the group, Warren Hunsberger, Sherwood Fine, Henry Sandri and me. The person who chaired the task force for all the geographic regions was Frank Coffin, then Managing Director of the DLF, and later Deputy AID Administrator.

Economic Mission to the Philippines- In conjunction with the task force, in May/June 1961, I was asked to participate as a member of the Philippine Mission to review the Philippine aid program and to recast the program to bring it in line with the new USAID priorities. Our Team leader was Byron L. Johnson, former congressman from Denver, Colorado and the team included, Albert Wilson, Larry Meyers, Arturo Constantino and me. We spent almost a month in the Philippines, in Manila, also traveling from Bagio in Luzon to Zamboanga in Mindanao and many stops in between. We met with government officials, businessmen, local Philippine officials, various business associations and the general public to understand their priorities and development needs. These meetings provided a basis for our recommendations to the Foreign Aid Task Force. I recall that we spent the last week of our visit in the mountains of Bagio at the summer home of the American Ambassador, where we wrote our report on the Philippines. The Ambassador’s summer residence was where the Japanese surrendered its occupation of the Philippines at the end of World War II, and signed the documents of surrender. My section of the report covered how to finance the programs and projects we identified through loans and grants.

Economic Mission to Thailand- I returned briefly to Washington following the Philippine Economic Mission, and in early June 1961, I was asked to be a member of the U.S. Economic Mission to Thailand. The purpose of this mission was to review the Thai economic situation and consult with Thai officials in order to determine how Thai resources and available external resources could be marshaled most effectively to

accelerate Thailand's economic growth, taking account of President Kennedy's new directions. The team leader was Dr. Howard R. Bowen, President of Grinnell College and the team included Sherwood Fine, Glen Johnson, Henry Billingsley, John Blumgart and me. I represented the finance expertise on the economic mission. The report recommended a \$100 million program for Thailand, principally for development loans. During our visit we had discussions with U.S. Ambassador Kenneth Young and also had many meetings with Thai officials, including Thai Prime Minister General Sarit. We also met with many Thai cabinet officials, including the Minister of Finance and the Governor of the Central Bank, and we were most impressed with their concerns about assuming additional external debt. We returned to the United States and submitted our report and recommendations to the Presidential task Force.

Final DLF Days- I spent much of my time toward the middle and end of 1961 helping shape the new foreign assistance program under President Kennedy's Decade for Development., It was also in the fall of 1961 that Ralph Phillips, Regional Director, Far East Division, decided to resign from DLF and assume a position in the private sector. At Ralph's recommendation, and with the support of DLF management, including Managing Director, Frank Coffin, I was named as Director for the Far East, succeeding Ralph Phillips in those remaining months of DLF's existence.

On November 3, 1961, DLF and ICA were phased out and the new Agency for International Development (USAID) was established. I was named Director for Capital Development and Finance, Far East Bureau, USAID. This was the beginning of my USAID career which covered a 22 year period. Between late 1961 and the spring of 1962, what remained of the DLF operation was in limbo until we moved into the Main State Department Building, where I took on my new responsibilities.

Agency for International Development

In the spring of 1962, I moved my DLF office to the State Department building, bringing with me a number of loan officers and administrative staff. Initially, loan officers that moved to the Far East Bureau were assigned to the geographic desks, but with my early intervention with John Bullet, the Far East Bureau's Assistant Administrator, loan officers were moved back to my office. In organizing my new office to accord with President Kennedy's new foreign assistance directions, I organized a new Office of Capital Development and Finance into two divisions, a Loan Operations Division and a Private Enterprise and Industry Division. During the period 1962-69, my office covered the countries of East and Southeast Asia. However, in 1969 with the expansion the countries of Indo-China (Vietnam, Laos and Cambodia) were transferred to the new Supporting Assistance Bureau.

Throughout the 1960's, in my capacity as Director for Capital Development and Finance, I spent much time traveling in East and Southeast Asia. I visited with host country AID recipients, helped develop and negotiate loan and capital development programs, oversaw some program implementation, and did some trouble shooting on some of our problem loans and capital grants. Our most active loan recipients during that period were South

Korea, Taiwan (until 1965), Viet Nam, and Indonesia. More modest capital assistance was given to the Philippines, Thailand and Burma. Because of their level of per capita income, Malaysia and Singapore had already graduated from the AID program. In addition, I had an interest in helping to develop private sector opportunities and industrial development programs in these countries. From the outset, I recognized many of the efficiencies associated with private sector development. In 1966, I visited numerous financial institutions and industrial companies located in New York, Chicago, Los Angeles and San Francisco. The purpose of these meetings was to assess what AID could do to assist developing countries in East and Southeast Asia to improve the environment for private foreign and domestic investment and to explore approaches to generate the flow of such investment. My report on the subject was entitled Report on Investment in Private Sector Development in East and Southeast Asia. A good example of private sector support, in which I played a support role, was AID funding for the expansion of the Board of Investment in Thailand and funding for the Development Bank of Thailand. These became important institutions to encourage private domestic and foreign investment.

In staffing the Private Enterprise and Industry Division, I hired Millard Pryor, a businessman with commercial and financial expertise, who was formerly Chairman and CEO of the Barnes Manufacturing Company of Mansfield, Ohio. Millard had just retired and wished to work for the U.S. Government. Previously, he had sent a letter to the Secretary of State, offering to work for a dollar a year and his letter explained the reasons. I was asked by the Secretary's office to interview Millard Pryor for a possible assignment. As Millard explained our first meeting, his son, Frederick Pryor, who was working on his doctoral thesis at Yale University on East-West trade, visited West Germany to gather information for his doctoral thesis. He was invited to East Germany by an East German professor to obtain additional information on East-West trade. When Frederick was returning to West Germany, he was stopped by the East German security police, taken into captivity, tried, convicted and imprisoned. Millard had much appreciation for the guidance and support he received from the State Department in putting him in touch with James Donovan, the lawyer who negotiated with the East Germans, the release of U2 pilot, Frances Gary Powers and Frederick Pryor in exchange for Russian spy Colonel Abel. The 2015 movie, *Bridge of Spies*, tells the story of James Donovan's negotiations for the release of Frances Gary Powers and Frederick Pryor. Millard Pryor spent the next two years heading up the Private Enterprise and Industry Division. After he retired, he continued as a consultant to my office for the next three years. Millard Pryor's business leadership and experience was an important asset in helping to shape and implement our private enterprise programs.

Reorganization of Foreign Assistance- The reorganization of the foreign assistance program, particularly integrating the development loan function of the DLF with what was previously a project grant and technical assistance function was a difficult task. There was much bureaucratic in-fighting and jockeying for position. In the early days, I was assigned to a Program Review and Coordination Task Force covering the Far East. Byron Johnson and Leigh Miller served on the Task Force. I spent many long hours helping to rewrite and recast the foreign assistance programs for Far East recipient

countries from Korea to Burma, and to help prepare a program presentation to the U.S. Congress. This program was included in the Foreign Assistance Act of 1962. Immediately thereafter, I was asked to chair a Task Force on Borrower-Grantee Procurement, with the objective of rewriting USAID's procurement regulations, taking into account the differences between loans and grant, and how such procurement was to be implemented and how responsibility was to be delegated. The Task Force included representation from the four regional bureaus. The final report of the Task Force was accepted and issued, and became the procurement policies and procedures of USAID during the first decade of its existence. It is important to emphasize that under host country procurement procedures, the host country gets significant input into selecting the contractor for equipment and services and negotiating contracts, yet it must meet AID rules and regulations. AID staff still has full responsibility for approving contractor selection and contract approval; but it's the host country that selects/negotiates, subject to AID approval. I believe this contracting procedure is far more efficient and less time consuming than direct AID contracting.

The four regional bureaus each had a Director for Capital Development and Finance (CDF) and we used to coordinate and discuss financing and implementation issues, as well as AID regulations and the need for their reform. We would check out suitability of contractors. We would also check on personnel and suitability of transfers from one bureau to another, as well, as overseas assignments. In addition to my role as a CDF Director, Ted Lustig (NESAs), Miles Wedeman (Africa) and Phillip Glaessner (Latin America) were the other CDF Directors during the early years of the Agency for International Development. We played an important role, individually and collectively in setting AID policy with respect to capital assistance.

Selected Assignments and Experiences

South Korea-Throughout the 1960s, I had many exciting experiences in my USAID international travel. I often visited South Korea, which early on had one of the largest USAID programs, both for infrastructure projects and program assistance. Starting with my early State Department experience in the early 1950s, I experienced the evolution of South Korea from a developing economy in need of reconstruction and development (impacted by the Korean War, with limited annual exports) to an industrial giant and a major exporter. Because of Korea's successful industrial development and economic growth, USAID terminated its economic assistance program around the mid-1970s. I was actively involved in many AID - loan financed projects and program assistance. These projects, for example, included electric power generation, fertilizer plants and cement plants. I recall on the cement plant AID financed, we became aware that the Korean CIA was taking money from the project's revenues. Thus, we terminated the project and accelerated repayment of the loan, which was fully repaid. One modest technical assistance project also deserves mention. At the end of the Korean War, many Korean military and other Koreans were coming to the U.S to study at U.S. universities or to take on jobs with U.S. industry. The objective of this technical assistance project was to encourage these Koreans to return to South Korea to share their U.S. industrial experience to help South Korea with its industrial development. To accomplish this

objective, Korean Institute of Science and Technology (KIST) was established with a \$5 million AID grant which also funded the services of the Battelle Institute of Columbus, Ohio to help attract these Korean nationals working in U.S. Industry to return to Korea and for the establishment of KIST. One of the first successes of KIST was helping establish Korea's shipbuilding industry in Pusan, to be followed by the hi-tech electronics industry. Today, South Korea is a major industrial power and a major industrial exporter, and KIST had an important early influence.

Japan- During my trips to East and Southeast Asia, I always managed to stop in Japan to meet with the American Ambassador and Economic Counselor and officials of the Japanese aid agency to better understand the role Japan was playing in their project financing in East and Southeast Asia. This was to assure there was no overlap or duplication of the respective assistance programs of the U.S. and Japan. Interestingly, when I took my first trip to Japan for AID in late 1962, AID still had a modest program, about a \$3 million grant to assist the Japan Productivity Center and to provide various support to productivity related to Japanese industry. This included U.S technical assistance of sorts and visits to the United States by Japanese technocrats to study technology used by U.S. industry. At that time, it was 17 years after the end of World War II and the Japanese surrender, and Japan had made considerable progress in rebuilding its economy. After reviewing the program with U.S. officials, in Tokyo, I decided that it was time to redline AID funding for the Japan Productivity Center, since Japanese industrial companies were already becoming tough competitors for U.S. companies. Thus, when I returned to Washington, I took the necessary actions to terminate this program from the fiscal year budget.

Vietnam- Vietnam activities took a considerable amount of my time, mostly monitoring the three DLF funded projects, which were underway, but in an early s implementation stage. This included the Saigon water project, railway locomotive project and Thu Duc electric power project in Saigon. Traveling around South Vietnam during those days was at some risk. I still recall taking a trip to inspect the route of the water pipeline that began at the Dong Nai River, on route to Saigon and the Viet Cong shot at our motorcade. Luckily, no one was injured.

On another occasion, I was invited by the Vietnamese Director General of Foreign Aid, whose name is Vu Van Thai (who later became Vietnam's Ambassador to the United States) to join him and the Vietnamese Vice President to attend the inauguration of the AID-funded Nong San Coal Mine Project. We flew to the city of Hue and then traveled by motorcade to the Nong San coal mine for its dedication. Heavy torrential rain had been coming down since we arrived at Nong San, and after an hour at the Nong San and just before lunch was being served we were told that we had to return to the airfield to return to Saigon. We were told that the rivers were beginning to flood and some of the bridges were being covered with water and becoming impassable. The Vietnamese Vice President, the Director General of Foreign Aid and I departed in the first auto of the motorcade. We crossed the first bridge with no problem, but the second bridge was totally covered with water and impassable. The Vice President called ahead and asked that a boat be sent ahead to take us across the river and an auto to return to the Hue

Airport. What arrived was not a motor boat, but a row boat with an oarsman to take us down the river to the other side. We finally made it to the other side, the boat was partially filled with rainwater and the three of us were soaked, head to toe. We were picked up by motorcade at the other side and driven to the airfield at Hue, where a plane was waiting for us to return to Saigon. We finally returned to Saigon, soaked and cold and it was good to be back safely.

In mid-October 1965, I led a team of AID officials to assess the feasibility of developing the Cam Ranh Bay area as an industrial zone. Over the previous months, the U.S. military was developing the Cam Ranh Bay area for military use, particularly construction of runways for the U.S. Air Force. At the time, Robert Komer, Special Assistant to the President for Vietnam Reconstruction urged AID to assess the potential of turning the Cam Ranh Bay area into an industrial zone once the war was over and the military demobilized. This presumed that the South Vietnamese with the support of the U.S. would win the war. The project team, under my leadership, arrived in Saigon, in October 17, 1965 and after a few days of briefing we embarked for Cam Ranh Bay. Cam Ranh is in the province of Khanh Hoa, about 190 miles north of Saigon and 22 miles south of Nha Trang. Cam Ranh Bay had the potential of being one of the best harbors in the world, with its sizeable deep water anchorage, totally enclosed. During the two day visit to Cam Ranh Bay, we drove around the area, including the village of Cam Ranh, with a population of about 1,000. The stucco barracks at Cam Ranh were left by the French Foreign Legion. We drove in open jeeps guarded in front by U.S. Marines and in back by South Korean troops to protect us from Viet Cong snipers, who were in the area. We returned to Saigon for further meetings, before returning to the United States. The findings of our mission and the subsequent feasibility study work carried out by the Stanford Research Institute (SRI) concluded that because of the shortage of fresh water (shallow water table), it would not be feasible to develop an industrial zone at Cam Ranh Bay. The only natural resource in the Cam Ranh Bay area is sand, which I understand became an export to Japan for the production of glass. When I returned to Washington, I was invited to the White House to brief Ambassador Robert Komer, the President's Special Assistant, on the results of our mission to Cam Ranh Bay and on our findings and recommendations.

Indonesia- I also was active in working on the Indonesian assistance program, helping to develop projects for Indonesia, mostly following the fall of President Sukarno in July 1966. He was succeeded by President Suharto. At that time, a number of the key economic players in the Indonesian Government were educated at the University of California at Berkeley, California. They were called the "Berkeley Mafia." This included Dr. Widjojo, who headed economic planning and also included the Minister of Finance and the Governor of the Central Bank. On my trips to Indonesia, I met with them and found that they were well trained economists. It was easy to converse with them about project priorities. There were several major USAID-funded projects which I wish to highlight; two power plants, one of which was located in Medan in North Sumatra; the Pusri Fertilizer Plant in South Sumatra; two cement plants, one in Surabaya and the other along the Jagorawi Highway, which links Jakarta to Bogor. I worked closely with Ernest Kanrich, USAID's Capital Assistance Officer for part of this period. I would like to

highlight the Jagorawi Highway project. When USAID first agreed to finance this project, we required a major feasibility study. As the study was being carried out, there were a number of protests, including congressional protests, as to why USAID was funding a road from Jakarta to Bogor. They claimed that all it would do is to facilitate the travel of wealthy Indonesians and expats to travel to Bogor (in the mountains) over the weekends, to relax and play golf. However, when the feasibility study was completed, it concluded that future traffic would increase significantly, as the Jakarta-Bogor corridor would develop into a commercial, industrial and residential corridor, and that's what happened. Today that entire area has experienced major economic growth and the Jagorawi Highway is a 60 kilometer toll road, which pays for operations and maintenance. During my visits to Indonesia, I covered many parts of the country, including Jakarta, Surabaya in East Java, Sumatra, Kalimantan, and Bali.

Philippines- My visits to the Philippines during most of the 1960s were to help develop projects for AID financing and to deal with a number of troublesome projects, that were in default on debt service. The Bataan paper and pulp project located on Luzon was one of those in default. After the project was financed by the DLF, and construction had begun, we found that the pulping material that was to be used for paper manufacturing was the Boho bamboo tree variety that dies every 18 years, and no one knew when the cycle began. Thus, in mid-stream, we decided to convert from bamboo to hard woods for pulping material, and because of project delays, the project could not provide for loan repayment. Ray Love played an important role as USAID/Manila's Loan Officer in helping to work out an arrangement with Boise Cascade, a U.S. paper and pulp manufacturer, and many of the technical deficiencies for the project were corrected.

Another project was the Mindanao cement project, located at Iligan in Northern Mindanao. This project ran into project delays, resulting in the inability to service debt on schedule. On this project, Ray Love also played an important role in helping with the financial resolution. The Philippine Rural Electrification Program was one of USAID's and the Philippine Government's most successful and rewarding projects. The program was developed on a cooperative basis and modeled after the Rural Electrification Administration program in the United States. Tom Niblock, who was USAID's Mission Director at the time, was a strong supporter of the program and Ray Love, also played an important role in program development and execution.

There is another experience worth mentioning. In early 1961, during my visit to the Philippines as a member of the U.S. Economic Mission to that country, we had the opportunity to meet with Vice President Diosdado Macapagal (who was running for President) and listen to his economic priorities, should he win the election later that year. I personally was most impressed with his views on Philippine development and growth. He was elected as President later that year and served from 1961 to 1965. He succeeded President Garcia. About 1998, I met Gloria Macapagal Arroyo, the daughter of President Macapagal at a luncheon in her honor, hosted by the U.S.-Asian Business Council. She was the Undersecretary of Trade in the Philippine Government. At the event, I had the opportunity to talk to her about my visit with her dad in 1961, just before his election as President of the Philippines. She listened attentively and was pleased to hear of the

memories. At the time, little did I know that she would become Vice President of the Philippines, about 1998, and thereafter, President of the Philippines in 2001. She served for two terms until the year 2010. During her presidency, I met her again at a dinner in her honor in Washington, hosted by one of the trade organizations. I was representing the Bechtel Corporation at the time. We again had the opportunity to talk briefly about her dad.

Taiwan- As I look back at the countries where AID had development loan-financed projects, I found that working with the Taiwan government officials was easiest, in that they were always well prepared, delivered required information on a timely basis and were conscientious in meeting deadlines. Taiwan was most efficient in its project development and implementation. It was always a pleasure negotiating with Taiwanese officials, since they identified sound project priorities, provided sound development loan justifications and had a capability for sound project execution. The Taiwan Embassy in Washington was also very helpful in providing much support. Martin Wong, the then senior economic officer at the Taiwan Mission was always of considerable help.

Far East Bureau Reorganization- In about 1967, as hostilities in Indo-China, (particularly, Vietnam) continued to spread and the Vietnam AID program grew rapidly, the Far East Bureau was split into the Bureau for Supporting Assistance (Vietnam, Laos and Cambodia) and the Bureau for East Asia (Korea, Taiwan, Philippines, Thailand, Indonesia, Malaysia and Burma). I was given a choice as to which bureau I wished to join. Having spent much time on Vietnam, and with few infrastructure activities in Laos and Cambodia, I opted for the East Asia Bureau. I was appointed as Director for Capital Development and Finance, a continuation of my previous position.

Development Loan Staff Committee Assignment- From April to September 1968, I was detailed to an assignment (part-time) as Acting Associate Assistant Administrator for Capital Development to fill in for Harold Folk, who was detailed to the Department of Housing and Urban Development to help shape a housing finance program. The Associate Assistant Administrator was the most senior position in AID responsible for review of loan-funded capital assistance projects. During that period, I chaired the Development Loan Staff Committee that reviewed loan transactions prior to their final approval. It was an inter-agency committee with representation from Treasury, State, Commerce, OMB, Export- Import Bank and the Federal Reserve Board.

President's Task Force on International Development- In 1969, President Nixon, who was just elected as 37th President of the United States, appointed Rudolph Peterson, President of Bank of America to head up a Task Force on International Development. I was asked to head up a small group made up of senior AID officials representing the regional bureaus and program policy coordination office. The group was to evaluate the establishment of a new proposed U.S. International bank. We met for a number of weeks and concluded that such a bank should be established to take over responsibility for operations of development lending programs and private enterprise programs that were vested in the Agency for International Development. The Peterson Report issued about 1971, which included my working group's recommendations, concluded that AID

programs should be completely overhauled. It recommended new emphasis on multilateral organizations and a new institutional framework whereby AID capital assistance programs and technical assistance programs be split into two separate agencies. Unfortunately, these recommendations were not supported by the new AID Administrator, or by key members of Congress, and thus were never put into play.

Reorganization of AID Regional Bureaus- In late 1972, the East Asia Bureau reorganized yet again, though I was not surprised by this action. With the prior separation of the Indo-China countries into the Supporting Assistance Bureau, and AID financing activities in Southeast Asia declining, it made sense to combine the Near East-South Asia Bureau (NESAB) with the former East Asia Bureau into the Bureau for Near East. Later North African countries (specifically Morocco and Tunisia) were added to the Bureau's responsibility. This created a large capital development and engineering office that encompassed the entire AID portfolio from Asia, Middle East to Europe, including North Africa, both in new project development and in finance, execution and implementation of existing projects. At the time, Ted Lustig was the Director of the Near East-South Asia Bureau's Office of Capital Development and I was the Director of the East Asia Bureau's, Office of Capital Development. We both held super-grade positions, but, Ted Lustig was senior in grade. Thus, he became the Director of the new office and I became the Deputy Director of the new Office of Project Development, which included former capital development and engineering functions. Jim Stephenson became the Associate Director and chief engineer for the new Project Development Office. The reorganization permitted me to familiarize myself with new countries in the Middle East, South Asia, North Africa and Europe. It permitted me to visit countries, where I had never previously traveled and to help develop and oversee the implementation of our capital development and private sector programs in these countries. Throughout the 1970s and early 1980s I continued to visit India, Pakistan, Bangladesh and Nepal in South Asia; Israel, Egypt, Jordan and Syria in the Middle East; Morocco and Tunisia in North Africa and Turkey in Europe---all USAID recipients.

In 1977, Ted Lustig decided to retire, but assume a part time role to take on selected capital development and implementation assignments. I succeeded Lustig as Director of the Office of Project Development, which had responsibility for capital development, finance and engineering and I was promoted to the AD-17 level. Shortly thereafter, I entered the Senior Executive Service (SES), a position which I held until September 1983, when I retired from the Federal Government after 32 years of Service.

Challenging Leadership Assignments-During the 1970s and early 1980s, in addition to managing the capital assistance and private sector portfolio for the above mentioned countries, I took on various trouble shooting assignments with respect to project development and execution. I also took on a leadership role in the evaluation of specific disasters such as floods and earthquakes for which AID would be needed for disaster assistance. For example, in the fall of 1972, I was appointed Chairman of the Philippine Flood Rehabilitation Working Group and about the same time was appointed to chair the Pakistan Flood Rehabilitation Working Group. These assignments took me to the Philippines and Pakistan.

A small group of AID staff joined me to assess the damage and recommend assistance required.

In 1973, the Israeli –Arab war had a major impact on how I would spend much of my time starting about the mid-1970s until my retirement. With the Sinai disengagement, Dr. Henry Kissinger, who had been National Security Advisor and then Secretary of State in the Nixon Administration helped shape funding for Israel, Egypt, Jordan, Syria and Lebanon. Israel had already been receiving economic and military assistance from the United States and the other Middle Eastern countries were added as AID recipients. During the period, starting in late 1973, and thereafter there was much pressure to develop, commit funds and implement projects and programs, particularly for Middle Eastern countries. In addition to my other managerial responsibilities, I took particular responsibility for commodity import programs and cash transfers to Israel and the commodity import program for Egypt. In Egypt, I helped develop major projects in the electric power sector and projects in the water and wastewater sectors, particularly in Cairo, Alexandria and the Canal Cities. In the case of the Shoubra El-Kheima Power station, a 1,200 MW power generating financed by multi donors, including USAID as the principal donor and including the World Bank, Japan, and the European Investment Bank, I chaired the Donor Implementation Committee on behalf of the donors to assure successful project implementation. I believe the Shoubra El-Kheima power project in Egypt was one of the most successful multi donor financed projects in which USAID played a major role as the lead financier.

In Syria, I was active in the financing of water and transportation projects. I recall that we were considering a road project for AID financing which would run from Damascus to Daraa, about four miles from the Jordanian border. I received a call from a State Department Syrian Desk official asking that I notify the U.S. Embassy/Tel Aviv to have them check with the Israeli Foreign Affairs Ministry whether the Israelis had any concerns, since the road would terminate close to the Israeli border as well. After checking with the Israeli Government, they said that they had no concern because “the road would lead in both directions.” Following the bombing at the American Embassy in Damascus, and the Marine Corps barracks, U.S. economic assistance to Syria became a political issue and by an act of Congress the AID program in Syria was terminated.

Israel Seawater Desalination Project- Starting in mid-1975, I spent much time in overseeing the development of a joint U.S.-Israel prototype and participating in the negotiations and the prototype implementation. A large desalination project was first discussed in the middle 1960s during a U.S presidential visit to Israel when such cooperation between the U.S. and Israel was mentioned in a communiqué issued by President Lyndon Johnson and Prime Minister Levi Eshkol. In 1969, the U.S. Congress added Section 219 of the Foreign Assistance Act, which mentioned the development of a joint U.S.-Israel advanced desalination prototype for world wide application. In 1970, the U.S. Congress contributed \$20 million, to be matched by Israeli financing. Because of delays due to technical and political issues, such funds were not utilized and had to be re-appropriated by the U.S. Congress. It was not until May 1975, that a joint statement at the

conclusion of the U.S.-Israel Joint Committee for Trade and Investment, that Secretary of the Treasury, William Simon, and Israeli Finance Minister Rabinowitz announced that the desalination project prototype would proceed. In mid-July, I headed a U.S. team consisting of officials from AID, Office of Research and Technology, Department of Interior and the Holifield National Laboratory (formerly Oak Ridge). We visited Israel with the purpose of negotiating an agreement to develop the desalination prototype. My counterpart in these negotiations was Dr. Eliezer Tall, who was the Director for Research and Development in the Israeli Prime Minister's office.

Originally, the desalination prototype was to be constructed and located in San Diego, California. However, because the U.S. desalination program, (vested in the U.S. Department of Interior) was terminated by the Office of Management and Budget (OMB) at the beginning of President Nixon's second term, it was decided to move the project to Ashdod, Israel. The project would link the desalination prototype to a 50 MW thermal power plant also located at Ashdod (south of Tel Aviv), to provide steam and pressure needed to test a 10 million gallon per day (MGD) prototype. Mid-stream during the execution of the project, the capacity of the project was reduced to 5 million gallons (MGD) per day, since it was felt that enough would be learned from the technology at the lower plant capacity. Thus the cost of the project was reduced accordingly, still retaining the projects results and lessons learned. Overall, the desalination prototype demonstrated that Israeli technology; i.e. multi-effect distillation (MED) technology that used aluminum tubing, low electricity consumption, and low pressure requirement was more cost efficient than the multi-flash distillation technology, which used copper tubing, high power and pressure consumption.

In order to manage day to day project operations at Ashdod, we needed a U.S. project manager assigned to Ashdod to oversee project development and operations. Despite my efforts, there was no desalination engineering skills available at AID. Thus, I recall calling Steve Bechtel, Jr., Chairman and CEO of the Bechtel Group to see if he could provide a Bechtel-engineer with desalination experience. He agreed to try to help and referred me to the person who headed research and development for Bechtel, who recommended Leon Awerbuch, a seasoned engineer with much desalination expertise. After interviewing Leon Awerbuch, I was most impressed with his technical and commercial credentials, particularly his desalination expertise. After consulting with the Department of Interior, which had some technical oversight for the project, I recommended we hire Leon Awerbuch, and he served as the AID and Israeli project manager and spent three years on project management. Once the desalination prototype was completed in early 1980, the desalination plant pumped water into Israel's National Water Carrier in Southern Israel. I believe that after the 50 MW power generating plant was shut down, the desalination prototype was discontinued.

In March 1980, I spoke at the 14th National Desalination Conference in Ashkelon, Israel and I concluded my speech with the following:

“Tomorrow afternoon we will be breaking ground at Ashdod for the joint U.S-Israel Desalination Project, a dual-effect distillation plant to convert

seawater into drinking water. This project was conceived by the late President Lyndon Johnson and the late President Levi Eshkol in the mid-1960's. The project was nurtured during the early 1970s and finally agreement was signed in 1975 to carry out this joint project. I hope that during the 1980s, after this project is completed, it will represent an important building block in desalination technology to assist water short countries, in the Middle East and elsewhere. The problem of future water shortages in many of the countries in the area can only be solved with new technology, and with technical ingenuity we will have to bring to the process. Let us hope we are successful, for we have no other choice."

Over the past 40 years, seawater desalination technology has advanced rapidly, with the introduction of reverse osmosis technology using membranes (instead of copper or lead tubes) to separate the salt from the seawater to provide drinkable fresh water. Today, desalination plants in Israel are providing about 70 percent of its fresh water demand and new desalination plants are being planned for future residential demand. IDE Technologies (formerly, known as Israel Desalination Engineering, Ltd.), the company that was the design engineering and construction contractor for the joint U.S.- Israel desalination prototype at Ashdod in the late 1970's, has become the world's foremost international company to design and build desalinated water and portable water facilities all around the world. What a success story!

Economic Mission to Portugal- In February 1976, I was a member of the U.S. delegation that made up the U.S.-Portuguese Economic Commission. The fall of Portugal's authoritarian ruler, Dr. Antonio Salazar in July 1970 created many economic assistance opportunities in Portugal. The country moved from a dictatorship under Salazar to democratic reforms. Our team included Frank Carlucci, who was then the U.S. Ambassador to Portugal, Bob Nooter, the AID Deputy Administrator, Robert Ryan, Director for Finance, Economic Bureau, State Department, and me as AID/Near East, Director, Office of Project Development. We spent a week in Portugal meeting with government officials and members of the business community to discuss priority projects that would help with Portugal's economic recovery and help shape a foreign assistance program for the remainder of 1976 and all of 1977. By combining two fiscal years, we were able to come up with close to \$ 200 million of possible U.S. economic assistance. The programs that we identified covered projects, in human services, such as housing and health, both in Portugal proper and in the Azores. Our visit to Portugal included Lisbon and the city of Oporto, which is a major center for Portugal's industry. We also assessed the opportunities for employment related to growth, given the high level of unemployment at that time in Oporto and in Portugal overall. During our visit, I recall that Ambassador Carlucci flew to the Azores to brief Secretary Kissinger on our meetings with Portuguese officials. Kissinger had stopped in the Azores en route to the Middle East. Following the collapse of the Salazar dictatorship, there was much concern that the communists may take over. Carlucci was a strong supporter of the democratic opposition. The communists were defeated in the next election, and their early dominance ended.

Through the years that followed, Portugal has continued as a Western European country and a member of NATO, and moved quickly toward economic recovery continued economic growth.

In September 2001, I met up with Ambassador Carlucci, at the luncheon on Foreign Service Day. At the time he was Chairman and CEO of the Carlyle Group, a multi-billion dollar investment banking company, and also had served as Secretary of Defense. I reminded Ambassador Carlucci of those days in 1976, during our visit to Portugal following the fall of the Salazar dictatorship and how much we appreciated the support that he and his staff provided to our Economic Mission. At the luncheon, Ambassador Carlucci was awarded the DACOR Award. In his remarks to the retired Foreign Service retirees, he said that of his Embassy staff in 1976, a number of these officers went on to become American Ambassadors. He demonstrated that with competent staff and strong leadership you could address complex problems and accomplish responsive solutions.

Romanian Earthquake- In April/May 1977, I headed a team to Romania to assess the earthquake damage in order to determine how the U.S. could be of assistance to the earthquake victims. This assessment was to determine how best AID could implement the Romanian Relief and Rehabilitation Program enacted by the U.S. Congress in April 1977 under the Foreign Assistance Act, which provided \$20 million grant authorization for FY 1977. This was the first AID program ever to Romania, since Romania was a communist country, and thus was barred by legislation to receive U.S. economic assistance. However, U.S. Congress through separate legislation provided the \$20 million as humanitarian assistance to earthquake victims, rather than direct support to the Communist Government.

The March 4, 1977 earthquake resulted in the loss of 1,578 lives and over 11,000 injuries in Bucharest and other surrounding cities. There were extensive material losses, including many collapsed buildings such as housing structures, hospitals, medical facilities, schools and cultural buildings. The homes of some 35,000 families were destroyed and 33,000 other dwellings were seriously damaged. Over 200,000 Romanian people were affected. The Romanian Government estimated the overall damage at about \$1 billion.

Our team visited Bucharest and Craiova to view the earthquake damage, and to discuss with national and local officials the reconstruction and humanitarian requirements in Bucharest and in other affected cities. We paid particular attention to reconstruction and replacement needs for the repair of building structures, housing, medical facilities and schools. The team included representatives from AID Office of Foreign Disaster Assistance, U.S. Corps of Engineers, a member of the Department of State's Romanian Desk and a member of my staff. U.S. Ambassador, Harry G. Barnes participated in most of the key meetings, including the final meeting with the Vice Prime Minister of Romania, Ion Pata.

Our recommendation for AID assistance included such priorities as replacing housing, support for hospital and medical facilities, school rebuilding and some technical

assistance. Some of these priorities were included in AID's earthquake rehabilitation assistance to Romania in 1977.

Israel/Jordan Water Negotiations- During the period 1975-1980, I spent a portion of my time dealing with Israel-Jordan water negotiations. When AID agreed in 1975 to support the Jordanian project to build a dam cross the Yarmuk River, known as the Maqarin Dam, it was immediately recognized that riparian (water rights) issues would arise and would have to be resolved. Initially, the negotiations focused on issues between Jordan and Israel, but soon thereafter issues involving Syria and the West Bank increased in importance, particularly with Syria, as relations between Jordan and Syria deteriorated.

In 1975, both the Jordanian and Israeli governments asked the Department of State to play a "Good Offices" role to help address the riparian issues that must be resolved if the Maqarin Dam project is to proceed, and I was selected to take on such responsibilities. In my "Good Offices" role, I would not represent Jordan or Israel, but would try to help both parties come to a solution on the equitable distribution of water. Such a dam would interfere with the flow of Yarmuk River water to Israel, and into the Jordan River, which also impacts on Israeli water use. I was asked by both the State Department and AID leadership to head up a U.S. Steering Committee on Jordan River Basin Water Rights and was designated as Chairman of the Committee, which included participation of State, AID and outside experts.

In order to prepare for this important role, I spent much time reviewing documents of previous negotiations, as well as technical studies on how Jordan River Basin water could best be divided among the riparian countries, including, Jordan, Israel, Syria and the West Bank. It was important to take into account the geopolitical relationships in the Jordan River Basin when dealing with physical and geographic characteristics of the area. One of these studies was the Johnston Plan, which was the first effort at a unified joint development of the entire Jordan River Basin System. The plan was developed in 1953 by Eric Johnston, Special Ambassador appointed by President Eisenhower to help lead this effort. This plan was developed over a 24 month period, 1953-1955 and provided for development of the water resources in the Jordan River Basin taking into account interests of Israel and its Arab neighbors and aiming at an "equitable" distribution of water. Although most of the technical elements of the Plan were accepted by all the parties, formal agreements were never concluded, ostensibly because the Arab League decided against formalizing the agreed arrangements on political grounds.

Thus, with the knowledge of the legal, technical and political factors relating to an equitable distribution of water among the parties, based on my review of the Johnston Plan, and a number of other related studies that I reviewed, I was in a better position to start my "Good Offices" role. As I began my first such visit to Israel and Jordan in June 1976, I felt it important that I have a member on my team with expertise in water law, I engaged such and expert, Richard Baxter, Professor of Law at Harvard University to accompany me. He assisted me in navigating the legalities relating to water. However, as I learned early on, the greatest obstacles in implementing a water distribution plan in the Jordan River basin are more political, rather than legal or technical. In 1979, Richard

Baxter was appointed Judge at the International Court of Justice and served until 1980, when he succumbed to cancer.

Over the period 1976-1980, I visited Israel and Jordan a few times each year. I would shuttle between Jerusalem and Amman to meet with Jordanian and Israeli officials. I would also stop in Tel Aviv periodically to brief the American Ambassador on my “Good Offices” negotiations. I started my “Good Offices” role when Golda Meir was Prime Minister of Israel, and completed my assignment in early 1980 when Menachem Begin was Prime Minister. The Water Commissioner for Israel also changed. Menachem Kantor was Israeli Water Commissioner when negotiations began and Meir Ben Meir was Water Commissioner in early 1980. On the Jordan side, King Hussein represented the continuity of leadership during the entire period, as did Jordan Valley Authority’s President, Omar Abdallah Dakhqan, as well as its Vice President, Munther Haddadin. It is fair to say that the Israeli position under the Likud Party hardened somewhat compared to its position under the Labor Party Government. Nevertheless, I made much progress in my shuttle diplomacy and “Good Offices” role in helping to narrow some of the outstanding issues. However, two issues were still unresolved--sufficient quantities of water for the West Bank and agreed water for the Adesiye (Yarmuk) Triangle in Israel proper.

As a result of the Rabat Conference, the Arab States gave authority over the West Bank to the Palestinians, and thus in our negotiations, the Jordanians said that they had no say over water quantities for the West Bank. If they agreed to an amount from the Jordanian allocation, it could be rejected by the West Bank Palestinians at a later date, once they became a Palestinian State. Alternatively, the Palestinian State could request that a water amount for the Palestinians come out of the Jordanian water allocation. The position was conveyed to me by the Jordanian Foreign Minister in one of my later meetings.

Habib Mission to Israel and Jordan- In the spring of 1980, the State Department decided to send a high level mission to Israel and Jordan, with the objective of reaching agreement between the parties on water rights for the Jordan River Basin. Philip Habib, former Undersecretary of State for Political Affairs (then retired), was named a Special Envoy to meet with senior Israeli and Jordanian officials. At the time, there were very few outstanding differences remaining among the parties---except water quantities for the West Bank and agreement on water for the Adesiye Triangle in Israel. Most of the other issues had been resolved in my “Good Offices” negotiations. Ambassador Habib asked that I join him as Special Advisor, given my earlier role and continuing “Good Offices” role. He also asked Mary Virginia Kennedy, his former State Department assistant to join our mission. I had known Ambassador Habib for over 25 years, since our early days in the State Department, and we had continued to keep in touch during my travels when he was Political Counselor in Saigon and later as Ambassador to South Korea. Whenever I visited these countries, I always had an opportunity to stop and visit with Ambassador Habib. Our friendship continued through the years. In fact in the mid-1980s after we had both retired from government, I joined Ambassador Habib on the Board of Directors of InterAct, a San Francisco company which he chaired at the time. InterAct, as a company, played a role in international project development and project troubleshooting.

On route to Israel, we stopped in Paris and spent two nights as a guest of Arthur Hartman, U.S. Ambassador to France and a close associate of Phil Habib. It was a very pleasant stay at the Embassy residence, which once was one of the Rothschild mansions. We departed Paris, and arrived in Jerusalem. The next day, on May 17, 1980, Ambassador Habib and I met with Israeli Prime Minister Menachem Begin at his office. The meeting also included Minister of Agriculture, Ariel Sharon, (who became Israel's Prime Minister in 2001), Ambassador Eliashiv Ben-Horin, Deputy Director General, Minister of Foreign Affairs, and Meir Ben-Meir, the Israeli Water Commissioner at the time. It was a very cordial meeting. Prime Minister Begin said that he and the Israeli government wished to cooperate since he realized that Jordan and Israel were in dire need of fresh water. He emphasized the need for Jordan to agree to specific quantities of water for the West Bank, and that such amount was to come from the Jordanian water allocation.

On May 19, we departed for Amman, Jordan, for comparable meetings. We had meetings with Prime Minister Sharaf and I had side meetings with Minister of Planning, Hanna Odeh, the President of the Jordan Valley Authority, Omar Abdallah Dakhqan and the Authority's Vice President Munther Haddadin. At the meetings we discussed the possibility of forming a commission to review the political, legal and technical aspects of Jordan's proposal of a specific quantity of water for the West Bank for the Palestinians. Such a commission was never formed. In a subsequent meeting I had with the Jordanian Foreign Minister a few months later, a meeting which included U.S. Ambassador to Jordan, Richard Viets, we were told, as I had been told once before that the reason Jordan could not agree on quantities for the West Bank is because the Government of Jordan does not speak for the West Bank Palestinians.

As relations between Jordan and Syria continued to deteriorate later in the 1980's, it became clear that building a dam on the Yarmuk River straddle both the Jordanian side and the Syrian side would be impossible in the near term. Until I retired from USAID in October 1983, I continued with informal discussions and exchanges on the subject of the Maqarin Dam and Jordan River Basin water, with no further progress.

As a post script, On October 20, 1994, the Prime Ministers of Israel and the Hashemite Kingdom of Jordan signed a Peace Treaty ending the state of war that had lasted nearly a half century. Agreements were reached on allocations of water from the Yarmuk River and other water sharing arrangements between Israel and Jordan. Thus, despite a long and honorable history of American mediation of the Jordan River Basin water resources---initially led by Eric Johnson, followed by my "Good Offices" role between 1975 and 1980, the Habib mission of May 1980, and subsequent U.S. efforts, at the end, Israel and Jordan would settle their own water distribution issues without external assistance.

As I look back on my involvement in Jordan River Basin water problems, particularly my "Good Offices" role, over about a 5-year period, with Jordan and Israel, it is fair to conclude that most of the legal, technical and environmental issues were resolved. However, the intractable obstacle, particularly throughout the period of the late 1970s and early 1980s, was Middle East politics and relations between Israel and its Arab

neighbors. Water is politics in Israel and Jordan and other parts of the Middle East. Unless political issues are addressed and resolved, it is difficult to reach agreement on water and its equitable allocation. On March 11, 1987, I testified before the Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, on "Jordan River Basin Water: Crisis in the 1990's." Much of my statement is still valid today.

During my visits to Israel, I had the opportunity to also meet with Israeli Prime Minister Yitzhak Rabin. I had previously met Rabin when he was Israel's Ambassador in Washington, and remember his courageous attempts to bring peace with the Palestinians and security for Israel. In November 1995, Rabin's courageous attempts for peace were cut short by an assassin's bullet. Rabin was succeeded by Shimon Peres, as Israel's interim Prime Minister. I also met with Peres on a number of occasions, not only in Israel, but also at a conference in Amman, Jordan and in Washington. The Washington meeting was an interesting one. Shimon Peres, initially asked George Shultz, who was back at Bechtel after serving as Secretary of State and then on the Bechtel Board of Directors, to meet with him in Washington to discuss a project which he thought Bechtel could help. But Shultz was unavailable to visit at the time, and he asked me to meet with Shimon Peres. Thus I met Prime Minister Peres at the Mayflower Hotel. We discussed Peres visions of bringing employment and income to the Palestinians through the creation of industrial enterprises and related infrastructure on the border of Gaza and Israel, and on the border of the West Bank and Israel. After an hour of discussion, I told Peres I would pass his proposal on to George Shultz, which I did. I understand that the project never went forward except for modest industrial and commercial enterprises which may have been built near the West Bank, that employ Palestinian labor.

During my final three years plus in government, (1980-1983), I continued to help manage project and program assistance in the Middle East, Asia, North Africa and Europe, with Egypt and Israel, the largest AID recipients. I traveled annually to the Near East region to review our program development, financing and project and program implementation with our project managers, Mission Directors, AID Representatives and American Ambassadors. Other assignments and travel in my final AID years are discussed below. In May 1981, The AID Administrator nominated me for the Presidential Rank Award "Meritorious Executive." In late October 1981, I was designated as Acting Assistant Administrator for the Near East for a brief period, in the absence of the Assistant Administrator.

Southern Italian Earthquake- In November 1981, together with Jim Phippard, then the Director for North African Affairs, we spent a week in Southern Italy to review the earthquake rehabilitation program recommended by the engineering consultants and the AID Representative---about a \$25 million program primarily targeted to rebuild schools in the earthquake area. We arrived in Naples and made our base at the American Consulate in Naples. We visited most of the cities impacted by the earthquake including Avellino, the location of the beautiful conservatory which experienced much earthquake damage. We also visited Calitri, Grottaminarda, Saint'Angelo dei Lombardi, Solofra, Vallata, Buccino, Picerno, and Rionero. We met with American architects who were

evaluating damage to schools and competing for design of the damaged schools in the earthquake area, and we discussed their recommendations. I recall that we also recommended some support to repair the damage at the Avellino Conservatory.

Private Investment Missions- In March, 1982, I headed a private investment mission to Tunisia, Jordan and Egypt, and then in June 1982 I headed such missions to Turkey and Portugal. In these two visits, along with members of my team, we met government officials, private sector executives, and heads of trade associations to discuss private sector and investment needs and how AID could support such efforts through its programs. In Turkey, we recommended the use of the U.S. Trade and Development Agency Program; and, the Turkish government started to use the program immediately thereafter. In Portugal, we supported the establishment of a foundation once the U.S. program was phased out. So thereafter, the Luso-American Foundation was established with U.S. Trust Funds.

Assistance to Lebanon- In 1982, I was designated as the AID representative to the U.S. Businessman's Commission for the Reconstruction of Lebanon, which was made up of senior businessmen and bankers. Lewis Preston, the then Chairman and CEO of JP Morgan, chaired the Commission. The task of the Commission was to assess business and investment climate in Lebanon and recommend programs and projects that would enhance Lebanon's private sector development. The Center for Strategic and International Studies (CSIS) acted as the secretariat for the Commission and helped prepare the report which contained various investment recommendations. However, because of terrorism in Lebanon and fighting among the various factions at the time, the Commission never fulfilled its intended objectives. However, it was a good opportunity for me to get to know Lew Preston and other business executives. In the 1990s, Lew Preston was appointed President of the World Bank Group.

Trip to Turkey and Jordan with AID Administrator- In December 1982, I accompanied AID Administrator, Peter McPherson on a trip to Turkey and Jordan. We took the trip between the Christmas and New Year holiday, because it was a convenient time to be away. At our first stop in Ankara, we spent two full days meeting with senior Turkish officials, including Turgut Özal, who was then Deputy Prime Minister and would later become Prime Minister of Turkey. We discussed possible AID programs that could benefit the Turkish people. I recall that during our visit with Özal, he recalled that many years ago, he was an AID participant that had come to the United States under the Participant Training Program and assigned to the Tennessee Valley Authority's electric power facilities. He said it was a very productive visit, which he remembered well. During our visit, we were guests of U.S. Ambassador Robert Strausz-Hupé and Mrs. Strausz-Hupé at the Ambassador's residence. Ambassador Strausz-Hupé was formerly U.S. Ambassador to NATO and Sri Lanka. We had extensive discussions with the Ambassador on the economic and political situation in Turkey.

We then proceeded to Amman, Jordan on December 30, 1982, the day before New Year's Eve. The next day we met with Jordanian government officials and visited a number of water projects, including new water production wells in Northern Jordan. Our

host was Dr. Munther Haddadin, who was then President of the Jordan Valley Authority. I knew Dr. Haddadin very well, since he was a key negotiator during my “Good Office” Jordan-Israel, Yarmuk/Jordan River water negotiations in the late 1970’s. Dr. Haddadin later became Jordan’s Minister of Water and Irrigation. That evening, New Year’s Eve, we attended a dinner event hosted by the President of the Jordanian Royal Scientific Society and had the pleasure of meeting Senator Charles Percy (R-Illinois), who was then Chairman of the Senate Foreign Relations Committee. He was also visiting Amman, Jordan, at the same time. On New Year’s Day, we completed our visit to Amman, Jordan.

It was a pleasure to get to know, work and travel with Peter McPherson, who helped shape the direction of AID at the time and had a good sense of development priorities and the direction the Agency should be going. I should also note that at the time John Bolton was AID’s General Counsel and I occasionally would deal with him on legal matters relating to projects/programs.

Final Years in U.S. Government (1980-1983)

Retirement Process Begins- In the early 1980s, I started to think about leaving USAID and retiring from government service. My job as Director for Project Development, which then included development, finance, engineering and private enterprise for the Middle East, North Africa, Asia, North Africa and Europe was still an active one. I had about 60 people in Washington reporting to me, plus support for our loan officers and engineers in the field missions. I was previously promoted, and had entered the Senior Executive Service (SES). Nevertheless, I was ready for a change. I was well eligible for retirement, having completed my 30th year in the federal government and approaching my 55TH birthday. Starting in the late 1970s, loan operations generally were delegated to USAID Mission Directors in the field, particularly such missions as Egypt, which had the largest capital project program at the time. Also AID project financing was moving away from major infrastructure projects and focusing more heavily on program assistance, commodity imports, technical assistance and support for basic human needs. I felt it was time to consider my next career path.

My Retirement from the U.S. Government- In early September 1983, I submitted my letter of retirement to the Assistant Administrator for the Near East. My Deputy at the time was Robert Bell, a most capable AID Foreign Service Officer. He had been with me as Deputy Director for about a two year period and I recommended that he succeed me as Office Director when I depart in mid- October. During the period that followed, I started transitioning toward retirement from my AID responsibilities and engaging in retirement actions. To ease my work load during my final AID days, I delegated specific responsibilities to Bob Bell, which was very helpful in my retirement transition. I retired on October 14, 1983. Upon my retirement from AID, I was honored with the AID Administrator’s Award for Distinguished Career Service “in recognition and appreciation of his sustained distinguished Federal service spanning 32 years.” The award was signed by M. Peter McPherson, AID Administrator. So ended my 32 year career with the U.S. Government, starting with the U.S. Navy, Department of State, Development Loan Fund and finally USAID. I was ready to transition to the private sector.

As I look back, I can say with certainty that I enjoyed my career with the U.S. Government immensely. All the jobs and assignments that I experienced were exciting and helped me develop my analytical and managerial skills. It was a continuing learning process about new countries and their problems, meeting new people in government and business, and seeing some of the positive results of my extensive efforts to help countries and people in their development and growth efforts. During my government career, I got to know many senior people in Washington and abroad, in government, U.S. Congress, in business and banking, and they were helpful in later years as I took on new responsibilities in the private sector. Yet, after 32 years, the time had come to take on new challenges in the private sector and new opportunities. Thus, I was ready to join the Bechtel Corporation, a world renowned engineering and construction company, with a very large international project portfolio and an outstanding reputation. Bechtel Corp. as a privately-owned company was founded in 1898.

My Transition to the Private Sector

During my first year of retirement, in addition to my part time consultancy with Bechtel, I took on other assignments, some for pay and some pro bono. In late 1983, I was given a consultancy to advise AID on Middle East water problems. As mentioned, I accepted a membership on the Board of Directors of InterAct, whose President was Paul Gibson and Chairman was Philip Habib. I was also appointed as Senior Advisor to the Near East Council at the Center for Strategic and International Studies (CSIS). Joyce Starr, a good friend from the Carter White House days was the Director of the Council and I was assigned to work on a Middle East Water Project. The project culminated in a major conference shortly thereafter which brought Israeli and Jordanian officials together. After I moved to full time employment with Bechtel, I gave up all of the above assignments.

What follows below is my work experience with Bechtel Corporation and the World Bank, which I have included to show how my career with the State Department and Agency for International Development provided for a productive transition to the private sector and thereafter to an international organization, such as the World Bank. However, since the purpose of my foreign affairs history is to cover principally my State Department, DLF and USAID career, I will be brief in what follows, but will try show a few of the results of my transition to the private sector and to an international organization.

Bechtel Corporation Years (1983-2008)

During my first year with Bechtel, starting in mid-October 1983, as a part time Executive Consultant, I supported the Bechtel Civil and Minerals and the Bechtel Power groups in dealing with various geopolitical and finance issues in which my U.S. Government experience with State and USAID played an important role. My office was located in Gaithersburg, Maryland. During my early months with Bechtel, I assisted in examining the Turkish electric power market and prepared a report entitled, Turkey: Energy/Electric Power Overview and Project Prospects. I spent much time on the Turkish power sector

and later on in exploring opportunities for privatized infrastructure projects, particularly in the electric power sector. The timing for such efforts was particularly good since the elections in November 1983 gave Turgut Özal's Motherland Party a major victory and Özal became Turkey's Prime Minister. One of his first acts was to liberalize the economy and open it up to reforms of the state-owned enterprises. His plan also included ways in dealing with energy and electric power problems that the economy faced. In February 1984, I visited Ankara and Istanbul, together with Bill Elliott, a longtime colleague at Bechtel to further assess the electric power generation market with the objective of understanding Turkish electric power priorities, including in privatized power. In 1984, I worked on financing for Bechtel services for the Angra nuclear power project in Rio de Janeiro, Brazil, collaborating with Furnas, who was our utility client in Brazil. My efforts resulted in acquiring U.S. Export-Import Bank financing for Bechtel's procurement services and to support Furnas, the Brazilian utility.

In mid-1984, I started to spend more time in Bechtel's Washington Office to support Bechtel's senior manager at the time who represented Bechtel Financing Services, Inc. with the financial institutions in Washington, D.C. Since I worked with most of these Washington financial institutions for so many of my USAID years, I was very familiar with their financing programs, particularly USAID, U.S. Export Import Bank, Overseas Private Investment Corporation (OPIC), World Bank, International Finance Corporation and the Inter-American Development Bank. I tried to help wherever I could. In late 1984, I was called by the then President of Bechtel Financing Services, Inc. who informed me that his senior manager in Bechtel's Washington's Office was returning to San Francisco to take on another managerial position and asked that I succeed him as Executive Representative for Bechtel Financing Services, Inc. (BFSI), (later I was elevated as BFSI's Senior Executive Representative, also representing Bechtel Enterprises). Of course, I accepted my new role, a position which I held, managing a small staff in Bechtel's Washington office, from late 1984 until 2000. Thereafter, I moved to a part time status, as Senior Advisor with Bechtel Enterprises/Bechtel Financing Services until 2008.

During this period, I worked on various international project prospects, and was the lead for Bechtel in developing financing packages for such projects once a project was awarded or where financing was an initial requirement as part of the competitive bid process. Most of the projects that follow required the U.S. Export-Import Bank, European or Japanese export credits or financing from commercial banks with export credit agency guarantees. Examples of such projects where I played a lead financing role or a supportive role include: Damietta gas-fired power plant in Egypt; Gebze/Adapazari/Izmir power plants in Turkey; Angra I nuclear power plant in Brazil; Daya Bay and Meizhou Wan thermal power plant and Qinshan nuclear power plant in China; Croatia motorway; Venezuela water distribution projects and Ankara-Gerede Highway project in Turkey, one of the largest construction projects ever undertaken in Turkey (a six lane highway and an eight lane ring road around Ankara); and the Quezon Power project in the Philippines. These are just examples of the projects where I played a financing role for Bechtel.

I also represented Bechtel on the Board of Directors of the American-Turkish Council (also its Executive Committee), the U.S. Russia Business Council, and the U.S.-Greece Business Council. I also served on steering committees and working groups of such committees as the Coalition for Employment Thru Export, National Foreign Trade Council, U.S. Chamber of Commerce, National Association of Manufacturers and the U.S.-Asian Business Council.

Also, let me mention a couple of experiences involving former Secretary of State, George Shultz, a former Bechtel President and Board member. After Shultz, left the State Department, I would occasionally visit San Francisco, Bechtel's corporate headquarters location and brief George Shultz on a particular matter. In the late 1990s, about the time of the UN General Assembly meetings, I recall accompanying Shultz to a meeting with Turkmenistan President Niyazov at the Plaza Hotel in New York. The purpose of the meeting was to discuss the Trans- Caspian gas pipeline project which Bechtel was developing with GE Capital, that later included Shell. The Turkmenistan Foreign Minister and their Ambassador accompanied Niyazov. The project involved building a pipeline under the Caspian Sea to transmit gas from Turkmenistan to the port at Baku in Azerbaijan. We discussed a number of project issues, but it became clear that because of conflicts between President Niyazov and President Aliyev of Azerbaijan and other project issues, the project could not proceed and thus further development of the project was terminated. During that period, I developed close working relationships, first with Richard Morningstar, State Department's Special Assistant for Caspian Affairs (later, Ambassador to Azerbaijan), and with Ambassador John Wolf, who succeeded Morningstar on Caspian Sea matters.

Finally, let me close this section with my relationship with the State Department at the beginning of the Gulf War. At the start of the Gulf War in 1990, I was asked by Bechtel/San Francisco to coordinate with the State Department in order to facilitate the departure of Bechtel employees working on projects near Baghdad and in Northern Iraq. I met with State Department's Near East Bureau officials many times, to better understand how Bechtel could best protect its employees. Their advice was very helpful and permitted Bechtel to protect its employees, before they were all evacuated from Iraq. About the same time, I recall that I met with Prime Minister Turgut Özal who was visiting Washington and was the keynote speaker at an event at the Sheraton Carlton Hotel in Washington, D.C. We discussed the need to evacuate Bechtel employees who were working in Northern Iraq on an Iraqi hydroelectric project. The Prime Minister said he was willing to open his border to permit the Bechtel employees to drive across the border to Turkey and receive safe haven there. I had previously met the Prime Minister during my visit to Turkey with the AID Administrator and I thanked the Prime Minister for his willingness to help. However, when I checked, the Bechtel employees had already traveled south to team up with Bechtel's other employees near Baghdad. After a few weeks and Bechtel interventions, including a plane that Bechtel sent to pick up most of its employees and, with U.S. help, Bechtel employees were evacuated from Iraq safely.

Lessons Learned from AID and Bechtel Experiences

In my oral interview, Alex Shakow asked, that based on my AID and other U.S. government experience and private sector experience, what advice would you give to a new USAID Administrator? I would recommend that he encourage senior AID managers, in addition to overseeing their day to day operations, that they get out of the office periodically, travel domestically and internationally, discuss AID programs and seek the views of others, both public and private sector and be prepared to make or recommend program changes as and when necessary. To be able to travel frequently, I always insisted that I have a qualified deputy, with strong managerial skills and I would be prepared to delegate to him/her full authority to act when necessary. During my years with AID, I made it my business to visit with international banking officials in New York, Chicago and San Francisco who were working on countries for which I had responsibility. Since they frequently travel abroad, I found they are willing to share their assessments on political, social and economic conditions in these countries, as well as their views on AID-funded projects, when appropriate. I would also meet with U.S. bank branches in countries that I visited. I also found that briefing bank officials on our country assessments and project and program assistance could make these officials better supporters of our foreign aid program.

I also was willing to accept invitations to speak at U.S. and international conferences and to familiarize business leaders with the AID programs and some of the business opportunities in engineering, construction and equipment procurement in new AID-funded projects. In being a conference speaker, you meet many senior business and government executives. I recall a speech I gave in Nashville, Tennessee on AID assistance programs in the Middle East. Following my talk, I was invited to a luncheon and was seated next to the then Governor of Tennessee, Lamar Alexander, Jr. We talked about the AID program and Washington in general. Since 2003, he has been the U.S. Senator from Tennessee, and hopefully is a supporter of AID programs. During the luncheon, it was very easy communicating with him.

World Bank Consultancy

In mid-2008, I became aware of a number of studies that were to be carried out to examine the feasibility of saving the Dead Sea, which has been receding about 3 feet per annum for many years. In 2005, at the Global Economic Forum at Davos, King Abdullah II of Jordan, with support from Israel and the Palestinian Authority, proposed to the various governments in attendance that a project be undertaken which would help stop the Dead Sea from receding. A proposal was tabled for a feasibility study to build a Red Sea-Dead Sea conveyance. In addition to restoring water to the Dead Sea, the project also would provide hydropower and a major seawater desalination plant to provide fresh water to Jordan, Israel, and the Palestinian Authority. It wasn't until 2008, that donors agreed to finance the Red Sea-Dead Sea Water Conveyance Program. The program was financed by eight donors including France, Greece, Italy, Japan, South Korea, Netherlands, Sweden and the United States---who contributed an aggregate of \$16.7 million to finance the feasibility studies. The beneficiary parties were Israel, Jordan, and the Palestinian Authority, the countries that are the riparians on the Dead Sea. The World Bank was asked by the beneficiary countries to coordinate donor financing and to manage the

implementation of the feasibility program and also act as trustee for the donors. In addition, a Panel of Independent Experts was to be formed to review the feasibility deliverables and to make recommendations.

When I became aware of Red Sea-Dead Sea water conveyance undertaking, I thought I could be helpful given my Jordan-Israel water experience (discussed above), and I met with World Bank staff. I was well known to the World Bank due to many meetings with the World Bank during my USAID days. Also, the World Bank's senior environmental advisor, Steve Lintner was my environmental advisor, and a member of my staff, during my USAID days (before he joined the World Bank), and was familiar with my work experience. Thus, I was invited to join the World Bank's Panel of Independent Experts as a member. I was the only U.S. national on the Panel. At the time, I was completing my 25th year with Bechtel (both full time and part time) and the timing was right to take on the World Bank consultancy.

At the time the role of the Panel was to review the overall feasibility study being carried out by a French contractor, the environmental and social study being carried out by a British contractor, a study of Red Sea chemistry being carried out by an Italian contractor and a study of the Dead Sea chemistry being carried out by an Israeli contractor. Thus, starting in 2009, the Panel received various written inputs from the above studies; each member provided input which was coordinated by the Panel Secretariat. These reviews took place over about a 3-4 year period. The consultancy also involved some travel to Jordan and Israel, as well as to Athens, Greece, where the Chairman of our Panel, a Greek national, was based. On our first trip to Israel and Jordan, we took a field trip which fully covered travel around the Dead Sea, viewing the seawater decline and damage, such as sinkholes and other problems resulting for the decline of the Dead Sea. In particular we observed the impact on hotels and restaurants that were once on the shore of the Dead Sea and now are a distance from the Dead Sea shores.

The feasibility and other studies were completed, with recommendations for the construction of two pipelines; one to bring Red Sea water to replenish the Dead Sea and another for a large Red Sea water desalination plant to provide fresh water to Jordan, Israel and the Palestinian Authority. In addition, the program included two hydroelectric plants to provide power generation. To date, the above program has not proceeded because of various outstanding issues. This includes the problem of mixing Red Sea water with Dead Sea water. The chemistry of the Red Sea and the chemistry of the Dead Sea are markedly different. When mixing small quantities of the Red Sea and Dead Sea waters, gypsum will precipitate on the Dead Sea surface. More studies are needed to determine whether with large quantities of Red Sea water, the gypsum would crystallize and sink to the bottom of the Dead Sea. Other problems that need further study are the impact of water withdrawal from the Red Sea on fisheries and coral reefs and the very large capital cost of the project, which exceeds \$1 billion. In the meantime, the Jordanian government at present is considering a small Red Sea water desalination plant to be built at Aqaba. So stay tuned.

Epilogue- As I completed my World Bank consultancy in about 2012, I was in my 85th year and was ready to retire. However, I still manage to keep active with my memberships in DACOR, the USAID Alumni Association, the Foreign Affairs of Maryland group and a bi-monthly breakfast group to which I give talks on international issues about twice each year. I hope to keep active as long as I can.

It was a great honor to serve my country in USAID and in other U.S. government agencies and I hope that current and future generations find my career experiences helpful as they consider their future career path.

End of interview