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

AMBASSADOR GEORGE QUINCEY LUMSDEN

Interviewed by: Charles Stuart Kennedy
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INTERVIEW

[Note: This interview has not been edited by Ambassador Lumsden]

Q: Today is January 11, 2000. This is an interview with George Quincey Lumsden. This is being done on behalf of the Association for Diplomatic Studies and Training and I'm Charles Stuart Kennedy. Do you go by George?

LUMSDEN: Actually, I am a "Junior." I sort of let go of the "Junior" (It's still in my signature.) after my father passed on. But having exactly the same name as my father, my mother didn't want to say "George" and have two people answer, so I became Quincey. It's a slightly strange name. Growing up in the part of northern New Jersey that I did, no kid on the block was going to let it go. They sort of taunted me with it. I have responded to "Quincey" ever since.

Q: I am Charles Stuart Kennedy, Junior. I go by "Stu" or "Stuart."

Let's have at it. When and where were you born and can you tell me something about your family?

LUMSDEN: Okay. I was born a child of the Depression. I was born in September 19, 1930 at Morningside Hospital in Montclair, New Jersey. My father at that time was working for the Bell Telephone laboratories, then located on West Street in New York. He had a master's degree in forestry from Cornell University and made the princely sum of $28.50. Some weeks, he worked only three and then four days. Then things picked up. When I was very young, we moved to Maplewood, New Jersey only 16 miles from Times Square. At that time, we still had an icebox that you got your drinking water from, except on Fridays when your mother had bought a fresh fish and put it on top of the ice to stay cool for dinner that night, and the water tasted kind of funny. The coal was delivered by horse. The milk was delivered by horse. The only foreign language that I thought existed until I was about age seven was southern Italian by the immigrants who were coming around. So, that is what in the mid-1930s life was like 16 miles from Times Square.

Q: What was your mother's background?

LUMSDEN: My mother was born in Lawrenceburg, Indiana. Her parents met in Indiana. My grandfather on her side was from a family that had come out to Indiana early in the

19th century. He was born about 1858 or 1859 just at the cusp of the Civil War. My grandmother had a touch of Native American in her from Nebraska. I think it was Crow or something. But she was the descendent of Sam Dickie, who was a henchman of Daniel Boone's, who went through the Cumberland Gap in the 1700s and had been there a long, long time.

My father was born in Brookline, Massachusetts. Both of them were born in the year 1901. He was the first member of his family to be born in this country. His mother and father had immigrated from the United Kingdom. His older brother was born in Halifax, Nova Scotia. His older sister was born back in England. The name Lumsden is a pure Scot's name. My grandfather always used to sit me on his knee and tell me, "Remember, lad, you must always be true to your clan and ne'er trust an English man." Of course, he eliminated English women because he married one! I can remember being taken by my mother and father down to Georgia where the Battle of Stone Mountain was fought.

That is where my father told me, "Son, this is where your mother's ancestors hid behind rocks and took pot shots at mine. The big difference between them was, mine wore shoes." I was an only child, probably as a result of the Depression. I was very, very fortunate growing up in very definitely middle class surroundings. My grandmother on my mother's side did have some land in Nebraska which they sold, which permitted me instead of going to public high school after I finished junior high school in Maplewood, New Jersey to be sent to Deerfield Academy in Deerfield, Massachusetts.

Q: Before we move to Deerfield, let's talk about the public schools in New Jersey. Can you talk about getting that early education, your interest, and how the schools operated?

LUMSDEN: I think I mentioned once that the only foreign language I ever heard was Southern Italian at that time from Calabria, Sicily, Naples, in that area. A couple of my friends in the early grade school years were Leo and Davio Mafe. They were great playmates. I think it was between the third the fourth grade when my parents moved to a different house in the same town, so the elementary school district changed and suddenly I was from a rather mixed background The first school, by the way, was integrated. We had 10-15 African-American students, lots of Italian students, and then the mixture of white Anglo Saxon. We moved into a more upscale neighborhood where all of the students were white, most either Anglo Saxon or Jewish. That was the social strata. I will admit, at that time, my interest in things foreign was limited to the grand excitement of us getting into World War II and Pearl Harbor. I do clearly remember my parents and most all of their friends, particularly down in the town of Maplewood, a lot of the shopkeepers were of German or Italian extraction, but everybody in the town was rather stridently opposed to the United States having anything to do with this damned European war. The feeling was very negative in 1940/1941. Of course, all that flipped over entirely after Pearl Harbor. I can remember the day very, very well. I had gone with my friends to the Cameo Theater in South Orange, New Jersey to see a wonderful movie, Sergeant York with Gary Cooper. When we came out of the theater, we were told that the Japanese had bombed Pearl Harbor and that we were in the war. Our immediate reaction, age 10-12,

was, "Gee, that's great!" We all went and played "Let's kill Germans and Japs" in the backyard. In my family, there was no overriding interest in being involved directly, except that they did get involved. My father's younger brother was in the 29th Blue-Grey Division here. He hit the beach in Normandy and is now buried at St. Laurent Sur Mer. I visited his grave several times.

Q: They took a terrible beating.

LUMSDEN: Yes.

Q: A little before the war started, what was the table conversation about, particularly on Roosevelt? Was it "That man in the White House" or was it "Our god in the White House?"

LUMSDEN: In spite of the fact that my father only was pulling down $28.50 a week to start with. That improved considerably later, both his family and my mother's family from Indiana were rock Republicans. It wasn't so much "That man in the White House," particularly after we got into the war, but it was "We've got to figure out some way to get the Republican Party back on its feet. It's doing everything wrong." I would say that throughout their lives, they never wavered one bit. I've been a cross voter all my life. But particularly in that part of northern New Jersey at that time, the Republican Party in that part of suburbia, which just at the same time as was in New York, we were getting all sorts of very, very left-wing movements going on. There is a movie, Rock the Cradle. That sort of stuff stimulated more of the rock-ribbed Republican reaction.

Q: In New York City, there was a very strong leftist movement, particularly in part of the Jewish community there.

LUMSDEN: Yes.

Q: During the war, as a kid, were you reading the papers and getting a good sense of geography?

LUMSDEN: That is true, yes. I won't say that this sense of geography was leading me to get involved in foreign affairs, but the war and the course of the war was of great interest to me. Geography was important. My uncle by marriage, my mother's sister's husband, was Joseph Newman Wenger, who was instrumental in the organizing of the Japanese code breaking. He was the first commanding officer of the Naval Security Station at Ward Circle there. He was the first member of the U.S. Navy to become an admiral with a communications designator. I can remember seeing as we visited Washington that he had the initial tapes that came off the machines here in Washington from Pearl Harbor saying, "We are under attack. This is not a drill. Repeat, this is not a drill." So, I held that in my hands. So, that was a very broadening time for me.

Q: How about reading? Did you read much?

LUMSDEN: We did the usual... At this age, I was much more interested in baseball, football, and basketball, but I did all right in school. I was okay. Yes, I read what I was told to read and I read it religiously, whether it was Shakespeare's Merchant of Venice, which of course the Jewish community was objecting to being taught in school, but they were overridden, or whether it was Washington Irving or James Fennimore Cooper. All of those were read.

Q: You went to Deerfield from when to when?

LUMSDEN: I entered Deerfield just a couple of weeks after the Hiroshima bomb went off in 1945 and graduated from there in 1948. That is probably the point where I first met people and made friends with people who had, if you will, a foreign affairs background in their families. There were a number of students there, particularly from the Dutch Reformed missionary community in the Middle East. Several of my friends had been born in Beirut. One of them was a year ahead of me at Princeton. His name was Jake Eddy.

Q: Of course, Colonel Eddy was a major figure in the early... Translated when FDR...

LUMSDEN: The Eddys were there. The Closes, who went with the Central Intelligence Agency, were there. The Stoltzfuses were there. I served under Ambassador Bill Stoltzfus in Kuwait later. The Moore boys were there. Their father was the chief surgeon at the American University Hospital in Beirut. They were born in Beirut. So, the interest and the awareness, particularly of the Middle East, started there. I will say, it did not necessarily stimulate a desire to go there, but an awareness of it took place. That continued. Instead of going to my father's university, I chose to go to Princeton where these guys were going, mostly because they were friends, not because there was any career decision being made.

Q: The headmaster's name I forget right now.

LUMSDEN: Frank Boyden.

Q: He was a major figure in New England prep school education. How did he strike you?

LUMSDEN: He struck fear into me. He struck fear into all of us. I will say that, given my proclivity at that age to have fun playing baseball and things like that, the discipline of Deerfield probably was very, very good for me. I won't say that I appreciated it that much at that age, but it was very good for me. I studied a lot with Bob Glynn, who was John McFee's mentor, we had a lot of good instruction there. Frank Boyden's wife, Helen Boyden, if she is able to create an interest in chemistry in someone like me, is a pretty good teacher. It was a very good experience.

Q: Did you concentrate in any particular area of interest?

LUMSDEN: Of course, at Deerfield, the regimen is dictated to you to get you into college: English, math (I was always good at math, and my father thought I should go into the natural sciences once I... But I will explain later why that didn't transpire.) Chemistry, physics, and foreign languages I hated. I've taken five years of Latin. It was always a grind. It's not that I didn't get it, but it's that I just didn't want to do it that much. So, after I got out of Deerfield, I never took a single foreign language my whole undergraduate four years at Princeton. As a result, I was playing catch-up ball to get the three languages that I've had to use other than English.

Q: I went to Kent and I took three years of French, three years of Latin, and two years of Spanish and did abysmally in all of them. But that was enough to keep me from having to take languages as an undergraduate in college.

LUMSDEN: That is the sort of example that happened to me. I had fulfilled the requirement because I had three years of French. So, good, I can get rid of that. What fools we are.

Q: Coming out of there, did that school give you a sense of public service, that this is not a bad thing to do?

LUMSDEN: Yes, it did. It did very much. So much so that by the time I got to be a sophomore at Princeton and we were going through the usual sophomore crisis, a couple of times I thought, "The honorable thing for me to do right now would be to join the military and then come back and finish my studies later." As a matter of fact, a couple of friends of mine and I, after exams in sophomore year, went down and sought out information from the U.S. Air Force recruiter in Trenton, New Jersey. He gave it to us and said, "Don't make a decision. Come back next week." In the intervening week, North Korea invaded South Korea, and we didn't go back. So, we stayed for our final two years. Of course, then we did go into the military, as everyone did at the time.

Q: Well, you were at Princeton from 1948-1952?

LUMSDEN: Yes. I graduated in 1952. My class makes people like me embarrassing underachievers. Jim Baker was in my class. Frank Carlucci was in my class. Don Oberdorfer was in my class. The list goes on. It was a very powerful class. It was a good class to be in.

Q: What was your major?

LUMSDEN: I majored in psychology. I was interested in science, but I liked the softness of psychology. Also, psychology at Princeton included a lot of biology. I didn't mind the pure math so much. It's when you get to physics. Physics was a struggle for me at the time. I didn't seem to get that every body is attracted to every other body by a force directly proportional to the product of their masses and inversely proportional to the square of the difference between them. That was very difficult.

Q: Psychology. What was emphasized in those days in psychology?

LUMSDEN: We did a lot of gestalt psychology, Freudian psychology, and the old nervous system response reaction, how much of a body's reaction is coming from the psyche and how much from the soma. But what really interested me - I did all that - was public opinion polling. At Deerfield, I had become close friends with George and Allen Gallen. I met their father, the George Gallen, freshman year at Princeton and studied in psychology under Hadley Cantril, who was one of the pioneers of public opinion polling and did my senior thesis on that. Actually, that is the area in which I thought I would be working at the time that I graduated from Princeton. I had an in. I had Dr. Gallen and Cantril's recommendation and all this great stuff going on. The fellow I did my thesis with actually did go and make a very successful career out of it. What changed me was military service. Should we move on to that?

Q: I'd like to talk a little more about Princeton. What about the social atmosphere at Princeton? How did you find it at that time?

LUMSDEN: Well, elitist in a lot of ways. This was 1948 when I went to Princeton. Maybe 50% of my class had been to preparatory schools and only half to public high schools. Princeton at that time was still the northern most of the southern universities. There were no African-Americans in my entering class. It was less than five percent Jewish, all brilliant students. As I say, there was about a 50/50 split between preparatory schools and others. So, the old eastern establishment institutionalism was there. They didn't have fraternities at Princeton. They had been thrown out by Woodrow Wilson, who felt that they were too exclusive. But they did have these eating clubs, which sort of filled in the same sort of social niche. They were exclusive in their membership. Usually in the first term of sophomore year, you were to be picked. By the house party weekend of sophomore year, in May of your sophomore year, you had been chosen and the club was open to you, not for every meal. That had to be an upper-class club of juniors and seniors. Traditionally, not everyone got into a club. They simply were felt to be socially "not us." My class was the first one that said, "Well, we join together and we will not belong to clubs unless every single member of this class gets an offer to join at least one club." We were socialist minded. Not every student signed that, but the vast majority of the class did. So many did so that the clubs knuckled under because they wouldn't get any membership if they didn't accede. So, that worked. This was a great liberalizing step in Princeton club society. That was probably the single main event. But even after that it was still basking in the aura of the F. Scott Fitzgerald memories. People liked that, the button-down collars, the girls from Smith. That was all part of the thing. It was encouraged at that time. This was before the Ivy League de-emphasized football. During my period at Princeton, we had one of the best football teams.

Q: Charlie Caldwin?

LUMSDEN: Yes, Charlie Caldwin. Dick Kazmaier won the Heisman trophy. Four all

Americans were on the team. This added to that Fitzgeraldian aura, having your tailback on the cover of Time Magazine. So, we were it.

Q: I went to Williams. I graduated in 1950. Many of my class headed towards the CIA. How about the CIA for you all? For somebody who was interested in government service, this was kind of where they pointed towards.

LUMSDEN: I have known many, all young men, who have gone into the Agency throughout my Foreign Service career. I always maintained a very close relationship with my friends in the Agency to the extent that at a certain point people thought that perhaps I was in the Agency, which I was not. I got into the Foreign Service through a different epiphany, which took place when I was in the military and under the influence of people like Red Dowling, who was at the High Commission. I was in Germany during the occupation there. The traditional Foreign Service was what I wanted to do.

Q: While you were at Princeton, did the Foreign Service cross your radar?

LUMSDEN: No, not one bit.

Q: Were you thinking of going into the polling business?

LUMSDEN: Yes. I was thinking of going into public opinion research. But of course when I graduated you had your choice. You could either join the arm of the military that you wished, if they would have you, or you could report to Fort Dix boot camp for the Army in three weeks. So, there was no really pressing concern about getting a civilian job as you graduated. It was, "Well, I can put off that decision for two or three years anyway." I took the test for the Navy. I admired my uncle's work very, very much. I was accepted and sent to the Officer Candidate School in Newport, Rhode Island. I graduated from there at the end of October, early November of 1952. I was assigned to a submarine chaser, and I lucked out, got Atlantic duty. That was a very broadening experience. For the next two years I was engineering officer and then executive officer of this thing at age 24, being in charge of 90 men and keeping this thing running on the pitching, rolling North Atlantic.

Q: When you say "submarine chaser..."

LUMSDEN: You know what destroyer escorts were?

Q: Yes.

LUMSDEN: About 2/3 the size of that, even smaller.

Q: A submarine chaser is really something that is almost World War I.

LUMSDEN: They had them in World War II.

Q: But still...

LUMSDEN: It was 780 feet long. It ran on diesel fuel. You couldn't put steam in it. The thing was old. When we dropped the full depth charge pattern, it would lift the stern up and we'd usually find a couple of pinholes in there when we got back. They were definitely antique vessels. There was a movie, The USS Teakettle-

Q: With Gary Cooper.

LUMSDEN: Yes. That's the ship. That is exactly the ship that I was on. What happened was that the crisis over Quemoy and Matsu came up. My ship was one that was given to the Chinese nationalists. So, we had a Chinese crew come on board, which we trained, and they went off to the war. I later saw a picture of my ship during one of those fire exchanges that the Chinese nationalists and communists had in the straits there.

In the meantime, I was left with 18/19 more months of duty. I ended up on the Rhine River patrol as assistant operations officer. My duties there were to take four motorized river patrol boats out, each one under the command of one of the most seasoned chief petty officers in the U.S. Navy and with one or two experienced German pilots on the river. They knew where every sandbar was. I was the only commissioned officer. The commodore of this little thing was a lieutenant junior grade. We would tootle up and down the river and stop at places like Rudesheim, where the burgermeister would come out and greet us. This was during the occupation, so the Federal Republic hadn't been set up yet. I was asked to the ratskeller for dinner that night. I was just approaching 25 years old. This was a really meaningful experience. But also, we would get called about once or twice a month to go up to the High Commission at Bonn. Red Dowling was the number two guy. Invariably, there would be some senator, some congressman, or Earl Warren, or then Prince Faisal of Saudi Arabia, who we would take on the river cruise past all the old forts and things like that. On these trips. I got to talking to Dowling about diplomacy. By that time, I was getting very interested in foreign affairs. They were kind enough to invite me up to the High Commission residence. I had dinner at their house several times. When I got out, I decided that I was going to go into the Foreign Service.

Academically, I needed some work. So, I went to the Georgetown School of Foreign Service for one calendar year. I did not stay for the degree because I was told, "Look, you passed the Foreign Service Exam. You're in. But if you say you're going to wait for another couple of semesters of schooling, we don't know whether the opening will be there." I was on the Korean GI Bill. It was really tight with money. I said, "Boy, I'd better take it now," so I did.

Q: What was your impression of that calendar year. This would be when?

LUMSDEN: I got out of the Navy in late 1955. My mother and father were not really attracted to my going into the Foreign Service and going and living abroad, their only

child. I did go to work for the Prudential Insurance Company in group insurance in early 1956. But mid-1956, I said, "Look, I'm not going to do this. I'm going down to Georgetown to start summer school." I went to Georgetown for summer school from 1956 to the spring semester of 1957. I came into the Foreign Service on July 4, 1957. That was our date of entry.

Q: At Georgetown, how did you find the course?

LUMSDEN: It was very good for me. I was filling in niches. I had studied German while I was in Germany, so at least I got finally to the point where I qualified in a language. I got my 3/3 in German. Aside from that, I had only very little economics at Princeton, diplomatic history. There were a couple of other courses that I found extremely interesting. There was a Dutch professor whose name I've forgotten who was, I found, excellent. It was what I needed. Also, it was a rehab of U.S. history, which I had never really focused all that much on - the Civil War, Reconstruction, things like that. So, it was selecting courses to fill in the gaps that I needed to pass the written exam, which I was fortunate enough to do the first time I took it in December of 1956. Then the oral exam.

Q: Do you recall the oral exam at all, the type of questions, how it went for you?

LUMSDEN: Yes. They used the good cop, bad cop, neutral cop on me. The chairman was very, very noncommittal, asked a few questions. One guy was really pressing. They knew that I was coming lately to economics and getting me on how the federal budget process works, pushing on the multiplier effect, and things like this that I was a bit weak on. The other jovial fellow knew that I had been in Germany, knew that I loved music, knew that I had done pretty well in history, knew quite a bit about European and ancient history. He kept feeding me things that I could knock out of the ballpark like "What composer is called 'The Mathematician of Music' and stuff like that," giving me some real beauties that I could lay into. The other guy was pushing me to the limit on economics. The chairman did mostly politics, went through the New Deal, fascism, communism. I did pretty well on that. At that time, I could explain what dialectic materialism was and a few things like that. So, I did okay on that. Do people talk about the security exam?

Q: Sure.

LUMSDEN: We're in 1957. The residual effects of McCarthyism were still there. I had done everything. I had passed the oral and everything. I was called in by two investigators. They knew at the class at Georgetown the group of kids that were going around together. They had obviously targeted one or two of the people that I knew as potential homosexuals. I got grilled on this. The classic thing. I couldn't believe that it was happening to me. Wanting me to name names. Here, I thought, "Gee whiz. I've passed everything. I want to get into the Foreign Service. Now I, in effect, am being asked to rat on my friends, about whom I have no actual knowledge whatsoever." All they could finally corner me into admitting was that one or two of them, yes, I would admit that they

had characteristics and gestures that might be associated with the stereotype of a homosexual. I had absolutely no knowledge. They kept saying, "Didn't you ever stay overnight with them?" I said, "No, I never did. I have no idea, absolutely none." After I left, I said, "Boy, I wonder if I'm going to get into the Foreign Service," but I did.

Q: I think there was a real culture clash there at that time. I remember remarking to some of my young colleagues when I came in in 1955. You would go up on the floor where the security place was and it seemed like everybody's middle initial was "X," which meant that they were probably Irish-Americans, like for "Xavier." At that time, WASPs for the most part who were better educated, would often do it with the lights on. Irish would not do it with the lights on. It was almost in those terms. So, what to us seemed like fun to them seemed dirty.

LUMSDEN: There was the joke about the young Baptist couple that got married and then went to the hotel and he started to undress his wife and she said, "Oh, don't do that." He said, "Why?" She said, "God might think we're dancing."

Q: Things changed over time, but at that point, there was this almost WASP upper class culture coming against Irish lower class culture on the security issue.

LUMSDEN: I have no brief one way or the other on that particular issue, but I think you're quite right. Also, I've noticed in my years of association with the Agency that there is a very great Irish input over there. Professionally excellent as far as I know. But it did appear to me that if you took the Foreign Service on one hand and the Agency on the other hand the percentage of Irish Catholics in the Agency was greater than in the Foreign Service.

Q: For the record, when we're talking about Irish Catholics, we really are talking about a mindset when you go back to the '40s and '50s and even early '60s. The Irish Catholics were probably the least sophisticated of the Catholic Church. The Italians, the Dutch, the French.

Q: You came in in July 1957. Can you describe your basic officer class?

LUMSDEN: Great guys. We had a lot of fun. Paul Cleveland was in my class. Bob Oakley was in my class. Bob and Phyllis are good friends. Frank Carlucci was technically in our class, but he was in and out a number of times. The experience was one of bonding. We still see each other from time to time. So, it was a good experience. What shall I say about the students' attitude? There was a probably healthy cynicism about some of the presentations we got from the depths of the bureaucracy. Of course, we were all young and feisty and things like that. There were others that were very, very good. The Pentagon sent over its top briefers to the FSI. I don't know whether they still do or not. The Agency briefer was distant. By and large, it was excellent. The various bureaus in the Department with one or two exceptions sent over very good and very knowledgeable people that stimulated us. Of course, they had the eventual coning system still and each

one of us was trying to angle into political work or economic work. I sort of thought that maybe economic work might be better because there were so many guys going for political. All of us ended up doing consular work.

Q: Did you get consular training at that time?

LUMSDEN: No, just whatever was in the A100 course. No specific... I had to learn the trade in Izmir, Turkey.

Q: By the way, was there a significant other around?

LUMSDEN: That comes later. There is a good story there.

Q: Okay. When you come out of the basic officer course, one is always wondering, "Where am I going to go" and there is a competition for who gets the worst post, the best post, and all of that. Where did you want to go and what happened?

LUMSDEN: Where I wanted to go at that particular time was to any communist country of Eastern Europe as an economic officer. Fine. You can put that down if you want. Of course, midway through the A100 course, I went home to New Jersey and said, "We'll be getting our assignments now in about two or three weeks." So, my parents had a farewell party.

When I got my assignment, to my great chagrin, when I started work, I was right back home living with my mother and father and looking for a place to stay in New York. That was about 18 months. There was a bit of teeth gnashing. I did have one or two interesting-

Q: Let's talk about each job as we go. What was the job?

LUMSDEN: The educational exchange program at that time had an office in New York. The majority of grantees being sent by the post overseas would arrive at New York and they needed the physical and logistic support of getting into the country, getting into hotels, getting their tickets to where they were going to go, and being told what was going to happen to them. You didn't have Dulles Airport then. Also, most of them were programmed in New York to go see Judge Learned Hand, Nelson Rockefeller, George Balanchine, or somebody like that. That was very interesting, getting to talk to the secretaries of these people and meeting Learned Hand and people like that. We had some extremely interesting guests. I can remember once just at the time of the 1958 Lebanon incursion in July when we got a call over the weekend that there was "an important visitor coming in under the program. Go and meet him. You'll find out about it when you get out there. Take him to the Waldorf Astoria and do whatever is necessary. He is going to come to Washington on Monday." I went out and met. It was Pierre Gemayel, the head of the Lebanese Phalange, who discreetly left the country as Eisenhower ordered troops in. So, that was interesting. Another lovely fellow was the chief justice of the supreme court of Ghana, Sir Arcu Corsa, who was Oxford educated and one of the most humorous

men I've ever met. Sitting in on his lunch with Learned Hand was a real experience. Of course, they talked about the law a lot, which I'm not that conversant in, but that was a wonderful experience. So, that was the type of thing that we did.

However, throughout this, I was wondering, "How much longer do I have to do this? When am I going to get relieved?" Luckily, I was taken out and sent back down to Washington in early 1959 in about June. An assignment was forthcoming. In the meantime, they said, "Go to FSI and study... What language do you have?" I said, "German." They said, "Well, study some more German."

The assignment came up and it was Tehran. So, I went to the Iranian desk and spent about a week there. Then all of a sudden I came in one morning and they said, "Your assignment to Tehran has been changed. You're going to Izmir." "Where is Izmir?" "It's in Turkey. It's ancient Smyrna." "Why am I going there?" "Well, we've had a bit of a problem there. The vice consul got sick and then there is some difficulties with the armed forces people who are there. There is this question of smuggling currency in and out of the country." Apparently, they were just putting in a whole new team there. The vice consul had been ill. So, I ended up going to Izmir after studying three months of German.

Q: You went to Izmir from when to when?

LUMSDEN: I arrived in Izmir in October of 1959 and left in November or early December of 1961.

Q: During this time, 1959-1961, when you arrived in Izmir, how would you describe the state of relations with Turkey, between the United States and Turkey? What were our interests there?

LUMSDEN: In Izmir - I can't speak for Ankara, where the embassy was - it was a bit tenuous. This was an old Levantine town into which we had, because this was the height of the Cold War, built an intermediate an intermediate ballistic missile base. We had the headquarters of the two NATO commands, Land Southeast and the Sixth Allied Tactical Air Force, there. We were attempting to combine Greek and Turkish military units. This was before the Cyprus blowup. On top of this sleepy Levantine town, this scandal at the PX blew up. The Turks were trying to protect their currency by nailing a fixed exchange rate which bore no relationship whatsoever to the value of the currency. So, they were using the APO, these guys, to send money out, get dollars in, and things like that. Then we would send them out to get exchanged at a realistic rate and get dollars back in for the people and also get dollars out to deposit. So, that was a big mess that had to be cleaned up.

The town was one that would have fit very well into one of Lawrence Durrell's Alexandria books. You had old entrenched Ottoman families and old entrenched European families that were there because of the Ottoman concessions to set up their own post offices and do the fig and tobacco business and things like that. So, it was sort of

delightfully corrupt. It was an eye opening experience for me. I was the vice consul extraordinary and plenipotentiary, stamper of passports, the getter of drunk military personnel out of jail, trying to counsel them against marrying the B girls down at the Paradise Bar and things like that. I think you probably know the bit. However, I lucked out. The chief of staff of the Sixth Allied Tactical Air Force was a Greek general officer, a war hero, who had flown everything from canvas sided wooden propeller planes up to eventually qualifying for supersonics, about 18 different types of fighter intercepting aircraft, a bona fide hero. His young daughter graduated from college in Greece and came to live with her parents. I met her on her 18th birthday. I met her under the following circumstances. Picture this compared to the way young people meet today. A mutual friend, a Greek-American, a contractor building on the air base, invited me... My mother was in Izmir at the time visiting me. I think she was mainly staying because she was a great reader of books and she knew about the east and things. She said, "You know, I'm afraid that a gay old bachelor is now going to turn into a lecherous old bachelor." I was 30 years old. We met at this Greek-American's house, I with my mother and my wife with her mother and her father and we were introduced. It was par hazard (French: by chance), but my mother promoted this thing. I must admit that I was very attracted. That was in January. We were married in June 1961. We were married by the governor of the province.

Q: Her father was a Greek general.

LUMSDEN: A Greek general. I signed her immigrant visa the first time she came to the United States.

Q: Knowing the Greeks, I would have thought that marrying outside the Orthodox faith and outside the Greek Orthodox faith was sort of a difficult thing.

LUMSDEN: Therein lies another interesting story. One, I was not married outside of the Orthodox faith. I was married by Father Timothy, a Greek Orthodox priest. I was married at the Church of St. John of Smyrna. The Church of St. John would surprise you in appearance. It looks like something that is in Kent, England. It was built by the English business community. The original Church of St. John had been destroyed lo those many years ago during some sort of disturbance back in the 17th or 18th century and was sort of in rubble. The British built a beautiful Anglican little stone church that you would find in southern England there. At this time because of the 1922 situation in Smyrna, there were no Greek Orthodox churches. Because of the military agreement and the stationing of a certain number of Greek troops in the area, they were allowed to have a chaplain. They had most of their services just at home. However, in that the Anglican church, was not a Catholic church.

Q: It was also in communion with the Orthodox Church.

LUMSDEN: That's right. When we went to get married and my parents came out and they talked to the Anglican priest, who was going on his summer vacation anyway and

turning the operation of the church over to Father Timothy, the Greek Priest, he said, "Well, there is nothing you have to do that is the same communion. The sacraments of the Orthodox Church for marriage, funeral, everything, are one and the same. So, it's perfectly acceptable." So, we were married in ancient Smyrna, now Izmir, by a Greek priest and have a Greek wedding certificate. The day before, however, because of Turkish law, we had a civil ceremony, where we were married by the wali of the Willamette of Izmir on the 22nd of June and we had a religious service on the 23rd. This all goes to show that either I was a very good or a very bad diplomat. Being assigned to Turkey and marrying a Greek, I don't know. You can draw your own conclusion. We have been married all these years and have two children.

Q: Tell me, I served for four years as consul general in Athens during the colonel time. I am very much aware of Greek-Turkish feelings. I would have thought a Greek general would come home every night and swear at the damn Turks or something like that. What were you getting from your father in law and your wife at that time?

LUMSDEN: My father in law spoke Turkish. He was born in Comotini in northern Thrace. His father's business was practically all with Turks. He was sort of "Ah, the Turks... But they're there." He was actually well liked by the Turks. He got along extremely well. Of course, he was air force and not army. They had a few army officers there who had a much more difficult time, I think. But Labros, my father in law, fit in very, very well with the Levantine Turkish European community that dominated social life in Izmir. I never have known him to be vengeful about the Turks. My mother in law, yes. It's unfortunate that he has Alzheimer's disease now. His current memory is almost all gone. He can still remember bouncing a 500 pound bomb off a Spitfire that was hung as he tried to re-land at Hellenikon Air Base and things like that, but his memory in recent years has declined to the point where his interest in politics has declined also. I don't know what his reaction would be at the current impasse, if in fact it is an impasse. I don't know. But I do know that he was an international person enough to know that Greeks and Turks have simply got to figure out some way to get along. Of course, he was virulently anti-communist. Basically, he was really still a royalist when it comes down to it. He went and joined King Paul in Greece. That is a fascinating story. He fought the Italians... He was captured by the Germans and exiled to a small village and escaped Greece disguised as a novitiate Orthodox priest (He is not very religious. That's interesting.) with a group of Jews from Salonika and snuck across the Aegean to Izmir. That is where the British consul general met and sent him to Cairo, where he joined this group of Greek pilots that they were getting together with King Paul and he flew Spitfires. They fought their way back.

Q: As a consular officer, you probably have a closer view of officialdom down at the police level and elsewhere, the documentary level. What was your impression of the Turkish bureaucracy?

LUMSDEN: Very bureaucratic. If you get away from the international Levantine, Lawrence Durrell type set, you got into a bureaucracy that was extremely proud of the

fact that they had had the revolution of Mustafa Kemal Pasha and had separated religion from the state. But at the same time, they were very suspicious of foreigners, rather xenophobic. Of course, these suspicions around Izmir were fed by the highlife behavior of the clique in which all of the diplomats, consuls, and businesspeople moved. They were very sincere in their idea of doing things correctly, but in so many ways, they just didn't have a clue how to do it. You'd go the emergency ward at the hospital and there would be a cat sitting on the operating table. Check into the country coming back on leave, having bought an LP record of Perez Prado or some damned thing like that, and having the customs inspector take this single record and write into your passport that this phonograph record must be re-exported from Turkey because you're coming in as a consul... Getting an idea, but not really knowing how best to carry it out. Of course, the economics of self-sufficiency and everything has been disproven, but these people worked on a set of principles that they thought was modernizing Turkey. In my opinion, it wasn't modernizing Turkey. It was isolating Turkey. Just as we see today, they still have a great many barriers to overcome, as do the Greeks.

Q: Did you run across the problem of federal benefits and fraud in those cases? I know later on, anyway, back in the hinterlands of Izmir, there were people who had relatives who had American ties and all that. Did that cause you any problems?

LUMSDEN: As a consular officer, there were always problems with a Social Security check. Was the person to whom the check was made out somebody who was still alive or not? When somebody applied for a tourist visa, was that really their intent? That was incessant. I guess, given their background, you can't blame them for doing the things that they did. That Social Security check was a godsend. The getting to America was also an opportunity to get out of this moribund situation. I keep thinking of Alya Aglan's book, America, America. Well, this was the area. There was a lot.

Q: Was it a consulate or a consulate general?

LUMSDEN: It was a consulate and it became a consulate general just before I left.

Q: Who was the principal officer?

LUMSDEN: When I got there, Donald Eddy - no relation to the other Eddys - was the consul and then Kenneth Burns became the consul general. Then he was still there when I left.

Q: Did you get any feeling at that time for a Turkish corps within the Foreign Service or was this just another job?

LUMSDEN: No. There were several Turkish specialists, who I admired. I took this assignment as a consul still with the idea that I wanted to get back to Europe and do economic work. One particular friend that I made and who was an usher at my wedding was Bob Dillon.

Q: I've had a long interview with Bob.

LUMSDEN: You did? My best man was the vice consul from Aleppo, Bill Clevenger. He had country expertise, which I admired very much. I used to go with Bob Dillon. I asked the consul general, "All I do is passports, services, and seamen. I never go anywhere except down to the bar to dig somebody up. Can't I go out and see some of the country?" So, he let me go with Bob a couple of times on reporting stints through the consular district down in the wine areas of Fetier, and places like that, which I much appreciated. It was very good and very helpful for me to get me out of just the daily routine of nothing but passports, visas, and seamen.

Q: Bob Dillon was mentioning that when he was in Izmir (I think at this time) that he got to know many of the figures who later became rather prominent when there was a change of government in Ankara. His contacts that he made in Izmir. These were sort of country cousins that came into power in Ankara and he knew them.

LUMSDEN: There were a number of these people. Of course, it was his bread and butter. He was the one that did this. I was the lowest of the low in the embassy. In May of 1960, they had the revolution against Menderes. I think it was May 1960. The government changed. There was a lot of shifting around in the new government and Bob indeed did know a number of these people and was doing a very good job.

Q: Were you thinking about being an area specialist in this area? What was ticking over?

LUMSDEN: No. This was the Middle East. I found it very interesting. I loved the history. Meeting the woman you're going to marry, courting, going to the ruins at Dedema and Ephesus and things like that, that was all just marvelous. But I was not an area person at this time. Unbeknownst to me, I was soaking up some area know-how, but I was still East Europe focused.

When I had the chance, I told them, "Look, I studied this German." They said, "Okay, you're going to be an economic officer and we're sending you to Bonn." Actually, Red Dowling was ambassador there. It was just the very end of his tour. He got sick and subsequently passed away, but at least I did get there for a few months before he left. That was indeed fascinating. However, I was the 14th ranking officer in a 14 officer economic section.

Q: Oh, my God. You were in Germany from when to when?

LUMSDEN: We got to Germany in... It was Cuban Missile Crisis time. We got there in February 1962 and left in about November 1964 for home leave.

Q: The 14th man. You know, you look at these large embassies and you kind of wonder "What the hell are we doing with so many people?" More people don't make for better

knowledge. You end up getting way down into the bowels of things and really probably waste our time.

LUMSDEN: You know what I was doing? I was the assistant export control officer. I was reading mail intercepts about what merchant in Vienna might be contacting what merchant in Germany with the idea that they were going to sell en masse to somebody in East Berlin. Piles of it just poured in. Ed Crank, the minister, did take pity on me and would take me around as a briefcase carrier at times. I could take a few notes. That was the time of the famous "chicken war," one of the first great trade disputes that we had. So, I got to be a fly on the wall with a little bit of that. But mostly, it was, I will admit, drudgery. Every once in a while, you could go out and meet a German businessman you had contacted who came forward to tell you usually about some competitor of his and what he was doing that he knew would irritate the United States. But aside from that, it was pretty green eyeshade work.

But I had two children born there and had a wonderful time. Paul Cleveland, my classmate, was assigned there also. For the last year that we were there, he was staff aide to the ambassador. That was very good for him. I said, "What am I doing down here in the bottom on the economic section?" Although I had a great time and we were very fortunate in having two children born there, my mind flipped over completely. I said, "I've got to get back somewhere where I can have some kind of responsibility. Where with my experience can I be a section chief?" I became a consul in Amman, Jordan, back for a couple of more years of consular work.

Q: Coming up against something like Bonn really could be mind numbing, particularly in those sections. I was down in Frankfurt for my first post earlier. I had some of that, but then at least I was the baby birth officer and the protection and welfare officer, which had quite a bit of responsibility.

LUMSDEN: I don't think most of the people in the embassy knew I existed. The most interesting thing by far that happened during the tour in Bonn was that I was assistant control officer for the Federal Republic portion of John F. Kennedy's visit in 1963 - not the Berlin part. That was fascinating because you got to hobnob with Lee Radziwill and the President himself was there, as was Jackie and the whole entourage of people that suddenly descended. Some of them were invited; some were not. It was a real media event. That was quite an eye opener and quite thrilling to do.

Q: Granted you were in the depths of this thing, but in early fall of 1962 where you had the Cuban Missile Crisis, what was the general feeling that you were getting from your colleagues about what this might lead to?

LUMSDEN: I would say that it was not dissimilar from the recent flap over the Y2K problem.

Q: You might explain what "Y2K" is.

LUMSDEN: This would be the concern that the rollover of the yearly odometer from 1999 to 2000 was going to cause all sorts of problems, not just in computers, but the water supply, the sewers would back up, people wouldn't get food, there would be riots, etc. The imagination started to expand as this crisis grew. Here we were in Bonn, my goodness, the Fulda Gap was only 115 miles away and do we know that there are 58 Russian armored divisions over there? My goodness, what is going to happen? Of course, most of us didn't really have a clue as to what was going on. Walt Rostow was meeting the Russians at the Yenching Palace restaurant at Connecticut and Porter and defusing this thing. But there was a tremendous amount of anxiety at the staff level where I was, because of the lack of knowledge. We were getting most of our information from the newspapers and things like that. We weren't getting the cables that counted. They were all "NODIS" (no distribution). It would have been good if the ambassador and the station chief had let out a little more information to calm us down a bit. But they were extremely tight-lipped about it. This was before Paul Cleveland got there. A guy named Lee was the ambassador's staff aide.

Q: I was in Yugoslavia at the time. George Kennan was our ambassador.

LUMSDEN: He was a marvelous guy. Did you see his interview, "Age 95" in The New York Review of Books?

Q: No, I didn't.

LUMSDEN: Get it. It was taken at the time of our latest adventure in Kosovo. He's still got it.

Q: Did you get any feel for the embassy's interaction with the German government?

LUMSDEN: If you were the minister for economic affairs, you had access to top levels. I thought, "Well, if I'm ever really going to meet any Germans except some sleazy businessman who is trying to cut down his competition by telling me somebody was sending something to East Germany illegally, I have to do something." I noticed the university there had an effort out to make contact between students and diplomats in town. I met a young German diplomat at the Foreign Office and together we founded something called the Junior Kreis Bonnerdiplomat, which is the "Junior Circle of Bonn Diplomats." We were really junior people. We would have weekly meetings and we got university students involved in this. We'd talk about everything from capitalism, socialism, to movies to sports. Then we would go out and have picnics on Sunday and go climb the Siebengeberge and have a beer and stuff like that. That was a very rewarding experience for me. But it took my own initiative at my level to get out and meet people. I knew an awful lot of the staff in the embassy had no German contacts at all. It was a huge place.

Q: In 1964, you got home leave and asked to get the hell out.

LUMSDEN: Yes. I said, "I've got to get someplace where I can get some sort of responsibility so I can make some kind of mark." In that I had had all that great consular experience in Turkey, I became the chief of the consular section in Amman, Jordan, which turned out to be a real turning point.

Q: You were there from when to when?

LUMSDEN: I went on home leave at the end of 1964. We had bought a car in Germany. I decided I would drive the car from Germany to Greece (my wife's parents were there) and we'd put it on a ship and take it to Beirut. This was a Mercedes. I paid a couple of thousand dollars for this thing. The ship was called "The Medea." It did not kill my children. It went first to Alexandria, where they took on a huge load of green beans and dumped it right on top of my car. It didn't hurt the car, but there were beans all over the place. We landed in Beirut the day that Winston Churchill died. That would have been January 25, 1965. After a night in Beirut, we drove up over Shatila to Damascus. They had had a big demonstration. They were trying to overthrow Hafez al-Assad. We didn't even know about it. We knew that there were some bricks in the streets and things like that. We just drove on through, got to Amman, and people said, "My god, you drove through Damascus yesterday? Didn't you know that..." "Well, we saw some stuff around, but we didn't worry about it." Kids in the car, both in diapers, changing diapers all the way. Thereupon, we started one of the pleasantest and most meaningful tours that I've had.

Q: You were there from when to when?

LUMSDEN: From January 1965 through.... I got assigned back up to Beirut to FSI for Arabic after this. That would have been the end of 1967. The kids and wife were evacuated. I was hard core, stayed on. November 1967 was when I went to Beirut.

Q: Let's talk about relations with Jordan when you arrived. Obviously, things were going to change.

LUMSDEN: Our relations with Jordan were really excellent at the time. Jordan looked to us to give them security support, given His Majesty's position on various things, to make sure that Israel knew that Jordan wasn't going to cause any problems, that American tourists were welcome in Jordan. Of course, for me, it meant in East Jerusalem, which was then administered by Jordan, there was no visa authority. I was responsible for the visa issuance to all of the West Bank plus Jordan itself. That means the majority of the population in Jordan proper even with Jordanian passports were Palestinian born, plus all of the West Bank. We had a registered demand for immigrant visas second only to Palermo. The number was 25-35,000 registered demands. That meant a lot of work. People would follow me home to lunch to see if I could do something for their visa. But official relations with the Jordanian government were excellent at all levels. Bob Barnes was the ambassador. He was replaced by Findley Burns, who was working hard on

getting a modicum of American military equipment for the Jordanian army. We even got to the point where we had some F-104s there for training. They were still under U.S. ownership with Jordanian pilots. All of this, of course, was cleared with Israel in advance. We had a crackerjack political officer, one Richard Murphy, who was very well plugged in. We had a very good economic chief, Marshall Wiley; all these people went on up in the Service. Of course, we had me as consul. We also had the very highly respected station chief. So, they had a very good team.

Q: What was your impression of how the ambassador ran things and his relationships with the Consular Section?

LUMSDEN: Well, let's put it this way. The embassy in Amman is nothing like this now. It was on Jebel Webde. That was one of the seven hills of Amman. All of the functions of the embassy were in this one central building where all the action was, except for the Consular Section, which was in an entirely separate building across a dusty field close to 1,000 yards plus away from the embassy. The reason for this was because the Consular Section was mobbed with people. The kayeek and kabob salesmen would push their carts up to the Consular Section to sell. The line sometimes had 200 people in it. The ambassador was very glad that the distance was there and that I was out there. However, I will say, he did recognize the significance of the Consular Section as one of the main points of contact with the community at large, not the rarified levels of minister, intelligence operatives, generals, and things like that that they were dealing with. Indeed, in discussions for visas and things like that, I was able from time to time to come up with bits of information about something that was going to happen down at the Jericho refugee camp, somebody was going to visit and somebody who was close to Ahmed Shakari of the Palestine Liberation Army was going to be there and they were going to have a meeting and things like that. That was all helpful and well received. I think the ambassador realized what a job I had and I got some good efficiency reports out of that. He finally left shortly before he expected to leave. To this day, I don't know exactly what it was, whether it was something personal or whether he had pushed the arms business with Jordan past the level of acceptability to some people back here. I just don't know the answer to that. All I know is that he left somewhat abruptly about 10 months or so before he was scheduled to and that King Hussein gave a superb farewell to him with a full military treat. But he had made the arrangements for the F-104s to come. It could have been the F-104s that did it. It also could have been something personal about which, frankly, I don't know. I've heard things I wouldn't even care to say. I'm not at all sure. He was a nice fellow.

He was replaced by another nice fellow, Findley Burns, who was not of the Arab world. This was his first post there. He came about Christmas/New Year's 1966/1967. The poor gentleman inherited the 1967 Arab-Israeli War.

Q: I'd like to treat prior to that first. Was there concern when you got there and during this early time about the Palestinians and where they might go in their relationship with the Jordanians? About three or four years later, you have the Black September business.

Was there concern about the Palestinians, their orientation, and what might upset the Jordanian regime when you arrived?

LUMSDEN: Constant concern. This would be seen in that all of the true power operators - the Raddi Abdullahs, the Wasfi Tals, and others who were in the power positions around the King - were all East Bank Bedouins or other Circassians who had come down. There was incessant concern. The Palestinian community at this time, pre-1967 War, of course, was mesmerized by Gamal Abdul Nasser and Arab unity. Of course, "Nasser is going to save us and drive the Jews into the sea." Unfortunately, in typical Palestinian fashion, for the most part, they were just sitting there waiting for Nasser to save them rather than doing anything. But of course, that was okay in Amman, although Nasser scared the bejeebers out of an awful lot of Arab leaders at the time. So, the answer to your question is, yes, there was great concern and great fear watching. That's why when I in the Consular Section was able to say that somebody connected with Ahmed Shakari, who was Nasser's little Palestinian Liberation Army toady on this, was coming to the Jericho Refugee Camp to give a talk, this was of interest to the station chief, political officer, and others.

Before the 1967 War actually broke out, there were a number of incidents that started sort of like birth pains coming closer and closer together. I can't remember all of the geographic locations. There was something that happened in Latroon. There were incidents in which Palestinians were making bombs or taking shots at night at someone. Then there was a large incident on the southern part of the West Bank. I can't remember the name of the town. It was almost like Shatila, but that was in Beirut. Actually, the Israeli air force got into that one and a number of people were killed. The Jordanian Arab Army unit either had no orders or didn't follow the orders that they had and thought that they would get in there and help the Arab cause. Of course, they got squashed in no time flat. It was a major incident. But those types of things were happening. You could see '67 starting to build as Nasser upped the rhetoric all the time. But maybe you don't want to get into the war yet.

Q: I want to pick up before. What about on the West Bank in East Jerusalem? Did we have a consulate in Jerusalem?

LUMSDEN: We did have a consulate in East Jerusalem. However, it did not have a cost perception that handled anything except American interests. It did no visa work at all. That was all pushed up in Amman. You could drive from Amman to old Jerusalem by going down that wonderful highway at sea level where you keep on going down and then back up. It was about a 65 mile drive. You go from 1,200 feet down to whatever it is below sea level at the Dead Sea (It's the lowest spot on the face of the Earth.) up to about 1,400 or 1,500 feet in Jerusalem. It's a real up-down drive. It is a fascinating drive.

Q: Was the West Bank really sort of a separate entity in itself within the bounds of Jordan?

LUMSDEN: No, it was administered as part of the Hashemite Kingdom. West Bank dwellers had Jordanian passports if they wanted them. There were many in the refugee camps that didn't want Jordanian passports because they had claims to land in Israel proper and they wanted to keep the UN documentation which they could use at that time. But there was at least the effort to say that "We're all Arabs and we're all Jordanians" and Palestinians had prominent positions in agriculture, fisheries, and cultural affairs. But when it came down to key military intelligence and political operations, the power rested in East Bank Jordanians. The Palestinians felt as a result of that they really there was second class discrimination against them.

Q: How was Nasser looked upon from the point of view of our own officers in our embassy in Amman? Was he looked upon as being evil or a problem?

LUMSDEN: He was looked upon as extremely dangerous because it was at that time not very difficult to see that pan-Arab nationalism might carry the day and be very inimical to American interests all across North Africa and into the Gulf and the oil states. So, Nasser was always the object of reporting from this part of the world (I wasn't doing the political reporting then.) that would keep telling Washington, "Keep your eye on this. Look out! This could be a problem for us. We have to try to keep the Israelis under control for doing things that will further exacerbate Nasser's behavior." I think that's what we were...

Q: When you arrived, what were you getting about King Hussein, his rule, his personality and all?

LUMSDEN: He was at this point gaining more and more respect simply because of his staying power and his agility and the positions that he had taken. Of course, he was just about to let happen one of the stupidest things he ever did, but that hadn't happened yet. My personal view is that whether or not he could have prevented it anyway is another thing, but it did happen and he wasn't able to stop it. There is an interesting story on that one when we get to it.

He was felt to be the best deal we could have under the circumstances. He was felt to be maturing, but not all the way there yet. He was still frivolous, sports cars, girls, this sort of thing. But up to the beginning of the war, he was doing better. Then he made the terrible misstep that took Jordan into the war from which we've been unraveling. But again, like a phoenix, over the years, he starts working back up again until at the end of his life, he was deservedly one of the most respected leaders in the Arab world.

Q: Let's talk about the '67 War. Was this foreseen? How did it play out?

LUMSDEN: The extent of what actually happened, I don't think anybody foresaw the momentous extent of the preemptive strike that Israel took. In early May of 1967, I had put in for leave anyway and got it approved for summer. In that my wife and children were going to go to Greece where her parents were still living and they had a nice beach

house, they left Amman about the 17th/18th of May. Subsequently, one of the smartest things that I ever did not knowing that I was doing it. About the 20th of May, Ahmed Shakari himself arrived in Amman. The rhetoric, what the Arabs called "mozaiadeh," the outbidding of who was going to be more patriotic than the other, was going on. Of course, there were huge demonstrations in Amman and in the West Bank that worried the hell out of the Jordanian government. I was lucky enough to go around reporting some of this stuff. The Consular Section was so busy that they got another consul, who was eventually going to be my relief and he got there. The ambassador in about April said, "We're going to transfer you over to work with Dick Murphy in the Political Section," so they sent a replacement. Don't let me forget to tell you the story abut my relief there. But Shakari arrives. Huge demonstrations. I'm downtown thinking, "Boy, for once, I'm really in it now. Finally, I've made it." I was still pretty naive on things. But at least I was down there. They were having riots. I was reporting them back. I knew that Shakari was here. "Be careful, Quincey, you don't look like an Arab. Look out."

Two days later, the ambassador, Findlay Burns called, "Quincey, come with me. We're going somewhere." The ambassador; Dick Murphy, the political officer, the station chief, who by the way is still the personal representative of the old king and the new king here in Washington, and I were summoned to the prime minister's. This was Wasfi Tal, a wonderful guy. We sat down. I wondered exactly why I was there. It later became apparent. I was working with Dick, but I knew relief had just arrived. The prime minister started to explain a likely scenario that if hostilities broke out, we as Americans had to do a couple of very important things. First, we had to get that squadron of F-104s with American pilots out of there. The second thing was, what were we going to do with all these Americans? We had a USAID group building a road. We had agricultural experts down in the valley. And we had a lot of Palestinian and Jordanian Arabs with U.S. passports. What do you plan to do with all these people when hostilities break out? Then I did probably the one thing that a young officer in those conditions should not do. I opened my mouth. I said, "But Mr. Prime Minister, surely Jordan isn't going to go to war with Israel." He stopped in mid-sentence, took off his glasses, and said, "Young man, you're rather new to our world, aren't you?" Of course, I was fairly new then. I said, "Yes, Sir, I am." He continued, "Let me tell you one thing. You must never forget that we are Arabs and you must never underestimate our capacity for totally illogical action." That was the prime minister. Word for word. Wasfi Tal subsequently was assassinated by Black September because he was the progenitor of that. It's the famous scene at the Sheraton Hotel in Cairo where the assassin drank his blood. The war came. I was there because I was to get Americans the heck out of the way. As a result of that, I was sort of informally attached to a Jordan army medical unit during the war. As soon as the cease-fire was sort of holding, I went with them down into the Jordan Valley to try to find people who were coming out from housing and sent them all back to Amman. Of course, we couldn't do anything with them because the airport had been bombed out and the runway was all shot. Finally, they got some C-130s in there. That took about three weeks. But I traveled from South Shunay to North Shunay. That is less than 10 miles along the Jordan Valley. I counted over 100 armored vehicles that had been shot out there. They hadn't cleaned up the bodies and stuff yet. Most of them were not Jordanian. They were

Iraqi. The Iraqis had entered not really knowing what they were doing, except that they were going to be Arabs. They were very confused. I think some of these vehicles probably drove off the road themselves in the confusion when Nasser had told the Iraqis and Hussein that he still had air power to protect them. Of course, the Israelis took care of the Egyptians the first couple of days and then went after the West Bank. These guys arrived just in time to get totally clobbered down there. So, that was a real eye opening time.

Now, I received previously, just at the time of the shift over in the Political Section and my relief arrived, orders just before the war. This was a good six months in advance. I was going to be the principal officer and consul, the top officer at the post, in Basra. Well, there was no post in Basra after this event. I said, "Well, you know, I would love to go to the formal Arabic training at FSI/Beirut and area studies at AUB if you haven't got an assignment for me." They said, "Okay, we'll take the MLAT Test (Modern Language Aptitude Test)." I took the test before. I also wanted to see if I could get Arabic training, not just before the war. The test was administered by none other than April Glaspie of Baghdad fame. Although I didn't star on the test, nevertheless, they said, "You're getting the feel of this. We'll let you go to FSI in Beirut." So, that was the real turning point for me. When we left Jordan, we got some home leave and then I went to FSI/Beirut at the end of 1967.

Q: We'll stop at that point, but first I want to go back to during the war. Was the fact that Jordan entered the war considered by others as "This isn't going to work?"

LUMSDEN: It was considered by us working in the embassy as folly, but having said that (Of course, Dick Murphy would be the one to really talk to about this.) it probably could not have been avoided. The Jordanians, all as a part of posturing, because Nasser was bringing pressure, had put long tongs in the Latroon salient. These were these long army tanks.

Q: 155.

LUMSDEN: From the end of the Latroon, you can shoot one practically into the end of the Mediterranean Sea. You can hit Tel Aviv and whatever you want. When suddenly the Israeli preemptive strike against Egypt in the Sinai began, some of those cannons went off. The Jordanians were in the war. They shot. Whether or not the King's uncle had ordered them to fire or not, I do not know. But what is obvious is, the King never put a stop to it. He felt that his position would be too undercut if he under these conditions didn't let the Jordanians fight with their fellow Arabs. I know that Wasfi Tal was very much opposed to this, but the resultant vector of political forces in Amman nevertheless was such that they couldn't stop the entry into the war. Of course, it proved to be a disaster for Jordan.

Q: Was the position of the King considered in jeopardy after the Six Day War? What was the aftermath, the mood and all?

LUMSDEN: In the months after the war, the great tragedy had descended on the Arab world, but it had descended on Jordan, Egypt, and everybody. You couldn't single out King Hussein for not being Arab enough. He had lost relatively as much as Egypt had lost in the war. He couldn't be singled out as a running dog of the Zionists and the imperialists. The King's problems immediately started though after the war, because there was a huge influx of West Bank Palestinians into Amman, all of them now having gotten Kalashnikovs (assault rifles) from somewhere, and you couldn't drive around town without some 16 year old sticking it in the window and asking who you were and where you had gone. Clearly, the loss was not just the territorial loss, but there was a tremendous loss of authority as this tidal wave of Palestinians from the West Bank poured into the East Bank and started setting up their own little enclaves. Of course, the Palestinians were aware that some of the King's closest advisors were unalterably opposed to having gotten into this war in the first place and didn't like Palestinians anyhow because they're East Bank Bedouin; therefore, "We Palestinians at least, we're going to empower ourselves politically and start to run things around here."

Q: Did the Palestinians themselves really do much during the war or was it left pretty much to the Jordanian Bedouin army to do the dirty work?

LUMSDEN: For the Palestinians, it was all appearance and very little substance. There may have been some things done. The ranks of the Jordan Arab Army did have people who were Palestinians in there. However, the elite units right down to the privates were East Bank Bedouin.

Q: We'll stop at just about this point. I'd like to pick up your mindset at the end of this. One, what was your feeling towards Israel? You were going to become an Arabist. You hadn't really had much to do with Israel. There is often the claim that any Arabist is prima facie, anti-Semitic, and all that. What were your feelings towards it as you can reconstruct it and that of your fellow officers about the Israelis?

LUMSDEN: First of all, catching on what you said, there is this feeling that State Department Arabists are anti-Semitic at best and Sturmbahnführers at worst. Remember also how the Israelis viewed State Department Arabists. I wouldn't include myself in this, but in hatred there is something to fear and something to respect. It's a lot of that. I was not an old-line Arabist at this time. I hadn't even had my union card punched. This was sort of getting it. There unquestionably was a feeling that the United States simply was incapable because of domestic politics to appreciate the enormity of taking always a pro-Israeli position on this, that we had tremendous interests at stake that dictated a more balanced, in their view, approach. What do you mean balanced? They would have eliminated Israel if they hadn't attacked. Okay, I understand that. But there was a strong feeling amongst the Arabists that we were missing something by just knee-jerk support of Israel. Of course, the something that we were missing, we had to wait until about 1973 before that made itself apparent, one of the biggest economic recessions that we've had in this country.

Q: The oil.

RANSOM: Yes. That's where things get truly interesting.

It's a bad rap to call State Department Arabists anti-Semites. That is a gross oversimplification of things. Besides, some of them were not anti-Semites at all. They were pro-Israel. They saw the value of Israel. It is a democracy. I don't think it's yet pluralistic in the sense that we would say. It has, except for certain interrogation procedures against Palestinians, a great respect for human rights. It is working on freeing up its economy more to the free market type of situation that we'd like. Of course, that is a situation you should talk to Bill Harrop about. He was ambassador to Israel, not an Arabist, who apparently was relieved of his position for pushing what was U.S. policy, privatization... He is the one that bore the brunt of that. And you can't call him a State Department Arabist. He is not anti-Semitic at all. But he got canned because he pushed too hard on Israel. But it was the policy and it was in the U.S. interests, but nevertheless...

Q: We also had a brand new rather weak foreign policy administration in the Clinton administration when this happened.

LUMSDEN: You've probably gotten lots of people to comment on this. I will say that some State Department Arabists were anti-Israel because they were pro-U.S., not because they didn't like Israelis. They saw an unbalanced policy that was going to be leading to bigger and bigger trouble for us.

Q: Did you have any feeling towards the Arab world? I had a two and a half year stint in Dhahran and I did not come away with any great respect for the Arabs. They could be nice people and had an interesting civilization, but an overblown rhetoric, an inability to put it together very well.

LUMSDEN: The medium is the message. The appearance of things-

Q: Yes. I was wondering, as you were committing yourself to this, were you thinking, "Do I really want to be dealing with these people for a significant part of my career?"

LUMSDEN: What I was thinking way down deep was, "This is my best chance given the way things are going around here and nearing the end of the East of Suez policy for me to be a chief of mission." Maybe that's not the most noble thing. I thought, "This is the area where the experience I've had now and what I've done particularly after now getting into the FSO course in Beirut, this is obviously the best choice for me to fulfill a career in the Foreign Service." It's not going to be in Bonn in the 14-officer Economic Section.

Q: Yes. I think this is true of most of our people who came in. The early Arabists like Bill Stoltzfus and all came out of the missionary background, but the next ones - and I don't use it as a pejorative term - were careerists. This was a good place to be a professional.

LUMSDEN: I did not come out of the old Dutch Reform Beirut group, although I knew them at school. Also, the Israelis did benefit from someone like me being in the Arab world. I have always had a great respect for Israel.

Q: After the 1967 War, you couldn't help but have the feeling, "These people can win their wars."

LUMSDEN: Sure.

Q: Why don't we stop at this point? We'll pick it up the next time in 1968.

LUMSDEN: I was in Beirut in '68 and I went to Kuwait in mid-'69. All the stuff of the oil reporting and the really interesting part of my career we haven't even.

Q: Oh, yes, we'll get going there.

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Today is January 28, 2000. It's cold outside. You've gone to Beirut. In 1968, you were taking Arabic. You were taking it from when to when?

LUMSDEN: At the very end of 1967, I think I was actually moved in there with my family in November/December of 1967 and started the course then. There was one little interesting thing at the very end of the Amman tour that I wanted to mention. If you've heard it before, don't stop me. I like to tell this. I mentioned that I was relieved in Amman, Jordan by a fellow named Mike Davila, who was basically a Latin American expert but was getting an out of area tour. He took over my consular functions as I transferred over to the Political Section at the time of the 1967 War. He had two children, two sons, almost two years apart, Michael and Mark. They attended a pre-kindergarten playschool run by Madame Muna in Amman. My daughter, Catherine, also age two and a half, attended the same school. They saw each other very, very seldomly in the interim. In the meantime, they were married five years ago and have two children. So, my daughter married somebody she met at Madame Muna's Playschool in Amman in 1966/1967 and whose parents we've known for 35 years. So that doesn't happen too often in this day and age.

Q: So you arrived in Beirut. Before we get to the language side, what was the situation in Beirut when you arrived in late 1967/early 1968?

LUMSDEN: We all have our view of Beirut coming from the civil war there. Believe me, in late 1967/early 1968, being transferred from Jordan to Beirut was a godsend. Beirut was marvelous. In Jordan after the '67 War, you had a general collapse of order. Palestinian splinter groups were carving out chunks of Amman and setting up their own roadblocks and you couldn't really travel around with some 16 year old shoving a Kalashnikov in the window and asking for our identity papers.

Beirut on the other hand and all of Lebanon had stayed completely out of the '67 War, was serving its function as the financial and service center of the Middle East and was bubbling. The restaurants were going. The nightclubs were going. You could take beautiful weekend picnics up into the mountains. You could ski or you could go to a place where they were bathing in the Mediterranean and there were signs to ski resort 45 miles away where actual skiing was going on. It was absolutely idyllic. The program there at that time combined intense Arabic language training at the FSI branch of the American embassy with some area studies at the adjacent American University of Beirut, AUB. Then you went on guest trips up to Chenlon, the British parallel school. I was lucky in getting into FSI/Beirut. I had been scheduled to be principal officer at our consulate in Basra, Iraq, but of course Iraq broke relations with us during the '67 hostilities and there was no more post at Basra. So, I got 18 months in Beirut, which was actually a lot of fun. We were technically embassy attaches, but we had zero substantive functions at the embassy except that you had to serve your duty role once every six or eight weeks. One of the most interesting things that happened there in early '68 was, as part of the area studies at the American University of Beirut, an arrangement was made for young Saudis to come up and discuss Saudi Arabia's views on the Saudi government's relationship with the major oil companies that were operating, ARAMCO at that time. That happened to be their petroleum minister, a fellow named Ahmed Zaki Yamani. I felt very fortunate to have attended his three or four lectures on the subject of participation, which were held at the American University of Beirut during the spring term of 1968. These lectures articulated the desire of Saudi Arabia itself to be more active in the exploration, production, management, and overall planning of the major oil company, which employed Saudis from time to time and had a lot of expatriate workers, but really didn't have them in positions of authority. His lectures were met with a bemused incredulousness by the oil company officials who were there who saw absolutely no way that Saudi Arabia could possibly undertake a co-management position of this colossal enterprise. Little did they know. The lectures pronounced the desire of the Saudis to be more active in the management and running of ARAMCO, a concept which most oil company officials found rather amusing at the time, but really didn't give it too much credence because it was physically impossible from the manpower point of view. Little did they know that the coming decade would do an awful lot more to the oil industry than just introduce participation, that they were going to get nationalized and become simply service providers to the situation.

But the course in Beirut was very good. It was very intense. I'm not the quickest language learner. I persist and plod with the cadence of the ages as I study this stuff. I came out of it with a 4/4 in spoken and written Arabic by the time I got out, which was very helpful. I would hate to say what that was now, having not had a chance to use the language very much over the past 10 years. But fate being what it was in that my posting to Basra had been nixed by the '67 War, I ended up as chief of the Economic Section in Kuwait, which is only about 55 miles from Basra.

Q: I'd like to go back just a touch to the language time. What was the feeling towards

Lebanon? Was this sort of a playground, but it wasn't a serious player?

LUMSDEN: Politically, Lebanon was pretty much acknowledged as a lightweight. As far as service and finance was concerned, Lebanon was respected for its business know-how. At least it had the political acumen not to get involved in the '67 War. It was felt amongst British, American, and European diplomats that the Christian majority on its way to becoming minority in Lebanon was properly in control of these various other groups and could play one off against the other and they were not politically very active anyway, particularly the largest individual group in Lebanon, the Shia Muslims, who were predominate in the southern part of Lebanon. The Sunni Muslims, yes, influenced by Nasser to a great degree, were not strong enough or organized enough to do anything. Then you had, of course, the Druze and the Alawites, who would also play off village against village. The whole picture of Lebanon was one in which an educated group - and these were mostly Christians and a few top Sunni Muslims – could, given the natural cultural divisions amongst the groups, keep the thing balanced out. As we all know, that fell apart completely later, but that would have been the view of most people living in Beirut in 1968.

Q: I would have thought particularly the class you were in... One of the questions I always ask people who have taken Arabic is the attitude that they were picking up towards Israel. But all of a sudden Israel was not just almost an irritant or something like this. Israel was a major military power and all. Were you seeing a change in view maybe? How did you all feel towards Israel coming through this class? Were you getting an anti-Israeli prejudice?

LUMSDEN: First of all, I didn't mention the Palestinians before. There were a large number of Palestinian refugees in Lebanon. After the 1967 War, that number became even larger. The possibility of something going awry there was always present. The views amongst individual Foreign Service officers varied a great deal. I would say there was a general consensus that the domestic politics of the United States did inhibit to a certain degree the ability of the body politic and particularly the leadership here to see the dangers inherent in just letting this now powerful Israel do whatever it wanted vis a vis the Palestinians, that there was going to be a possibility of not just a Palestinian, but a more general Arab reaction to this which would not end up being in the interests of the United States. Of course, that reaction came full tilt on October 20, 1973, which we can get to later.

There is always this assumption that the people who take Arabic are anti-Israel at least or anti-Semitic at worst. This is a very bum rap. But it persists.

Q: I suspect that it has been fostered by friends of Israel to help discredit anybody who is speaking to the Arab side.

LUMSDEN: Yes.

Q: Was Israel a topic that you talked about among yourselves?

LUMSDEN: Oh, yes.

Q: What were you getting, concern, admiration?

LUMSDEN: There was certainly a great deal of admiration for the way the Israelis rallied around together, just exactly the type of thing that their Arab opposition found itself incapable of doing, that Israel was certainly a much more modern state than its neighbors. However, also, it existed in this medieval ocean out there and that sooner or later it was going to have to adjust by means other than just pure military means or there was never going to be any peace in the region. Frankly, we've made apparently a great deal of headway as we talk today, yet I'm not entirely convinced we're anyway near out of the woods on the Middle East. So, admiration, yes. Concern, yes. Concern that we in the diplomatic community simply didn't reach the political know-how or the political powers that be back in this country and they weren't going to pay any attention to us. We were too far removed from the reality of the domestic situation, which was basically all that really counted.

Q: So, were you hearing things about, "Well, our embassy in Tel Aviv is a tool of Israelis" and that sort of thing? Was that the feeling? Were we looking at the institutional problem?

LUMSDEN: I think there was some of that, yes, just like the embassy in Tel Aviv thought that the embassy in Riyadh was a tool of the Saudis. There was an awful lot of this sniping back and forth as to who really knows what the best interests of the United States are. There were things that deeply bothered us. As you remember, the USS Liberty incident during the 1967 War, how that got completely whitewashed.

Q: Well, it still rankles. It hasn't been forgotten. It keeps coming up.

LUMSDEN: That was egregious and it was clear and it was muffled because it was Israel. It was not politic to carry it to its conclusion. Thirty-two American sailors were killed, not a happy thing. You always get back to Israel, Israel, Israel if you're a Middle Eat specialist. And here I haven't spent most of my career worrying about Israel. I've been in the Gulf. I've been worrying about Iraq, Iran, oil, dare I say things in the long term that might be more involved in direct U.S. interests than just the latest spat between Israel and the Palestinians?

Q: But when you think about it, I think, today, January 2000, what I've heard is that we have now a State Department Near East Affairs Bureau where it's completely tilted towards the problem of Israel. The Israeli problem dominates what we're doing.

LUMSDEN: We have Israeli specialists where we used to have Middle East specialists.

Q: While you were there, was there much talk or concern about the split that you alluded to before between the Shiites, the Sunnis, the Christians, and the Muslims that was going to split Lebanon apart later on?

LUMSDEN: Yes. At that particular time, we were a bit bemused by the fact particularly that the large mass of Shias in Lebanon were so darned inactive politically. They just sat there on their hunkers and didn't do anything about their situation. This, of course, changed. This was 1968/1969. A few years later, thanks to the Iranian Revolution, the Shia organized themselves and became quite politically active. Of course, the 1982 Israeli invasion of Lebanon and the retention of a large security strip in southern Lebanon, acted as a further impetus to galvanize the Shia community. But it wasn't really until about 1982/1983 where the Shia began to exert themselves as a very identifiable type of operation with Hezbollah. There was no Hezbollah then. Those Shia who were interested in political activism, terrorism, freedom fighting, all joined up in other organizations like Islamic Jihad, Abu Nidal, and things like that. It wasn't Shia for the sake of being Shia. That came later, mostly organized through the Iranian ambassador in Damascus. At the time, that was Hashmi Pour, who was able to get the Shia group together as a solid group, start getting funding, arms and things to them.

Q: Going back to the 1968/1969 period, what was the view that you were getting from both your instructors and all and what you had gathered from outside of Nasser? Obviously, Nasser had been wounded by the fact that he essentially precipitated a war and lost badly.

LUMSDEN: Clearly, Nasser's hold on the Arabs in general was weakening at that time. Syria, which was always sort of unwelcome - they didn't like Nasser's embrace all that much anyway - was starting to pull away. The idea of "Il wichdi Arabia," Arab unity and Arab nationalism, that supersedes everything, was clearly after the 1967 War weakening. The Arab political activity was being generated to more specific goal directed operations, country by country or religion by religion, depending upon where they saw their grievances or aspirations located, not just one "If you speak Arabic you're an Arab from the Gulf to Morocco."

Q: What about your instructors? They were, I assume, native Arabic speakers.

LUMSDEN: Yes.

Q: Were you getting a line from them? I speak as somebody who was instructed some years before in Serbian. My god, did I get the Serbian line, as opposed to all these untermensch such as the Croats and the Muslims or something like that.

LUMSDEN: First of all, their Arabic was excellent. They could even give us the different dialects in the east plus recitations in full Koranic classical Arabic. However, about 80% of them were either Roman Catholic or Christian Orthodox. They were not Muslims. So, we didn't get that. They were very happy to be working for the American embassy.

Q: I think this is an interesting point to make. It wasn't as though these were people out there poisoning the well or something like that.

LUMSDEN: Far from it. They sort of despaired at the way Israel was trampling on everything that was in the area. They were no friends of Israel, far from it. But they did not push a poisoning line of Islamic or other Arab nationalist persuasion.

Q: On the practical side, we've had various schools dealing with Arabic. We tried one with Maghrebian Arabic and all. There have often been complaints that, "Well, it's all fine, but we're learning too much local dialect" or "We're learning too high falutin Arabic and it's not very practical." How did you feel about how it was geared at that time?

LUMSDEN: What I learned and what I speak is Levantine Arabic. I'm the Leshay Lebnania Felzia. I have a terrible Lebanese accent when I speak. However, those arguments are becoming weaker with the speed of light, the speed of light being the speed of communications in this day and age. The Arabic language spoken is drawing closer together from Morocco through the Gulf as we speak. Modern written Arabic is becoming much more uniform and readable. The classic Arabic, which is the written language, of course, never changes. It was "Kirmit Allah," the "Word of God." Islam, if you relate it to Christianity, the language - Arabic - is the gift of God. Christ was supposedly born of a virgin. The Arabic language sprang out of the mouth of an illiterate. It cannot be changed. That's why the spoken language drifted apart so far, but you couldn't change the written language. Now with modern communications, the spoken languages are coming back together again. At petroleum conferences I went to in Kuwait back in the 1969/1970 period, the Moroccan and Algerian delegations' Arabic was incomprehensive to the Kuwaitis and the Saudis, so they spoke in French translated. But that is no longer true. It's changing.

Q: In 1969, you went to Kuwait?

LUMSDEN: I went to Kuwait, yes. I arrived in August of 1969.

Q: And you were there until when?

LUMSDEN: From 1969 to October/November 1972.

Q: What about your trip during the language session? Was that useful?

LUMSDEN: I had aside from Lebanon itself and having come from Jordan, but one trip and that was to Kuwait itself when it became apparent that I was going to be assigned there. In 1968, in the aftermath of the '67 War, it wasn't too advisable. The Department was going to be sending all of these young, neophyte Arabists around to places in the Arab world. They might get zonked. So, there really wasn't very much of that.

Q: Were you able to get to Israel at all?

LUMSDEN: No, not at that time.

Q: Was there an effort at that time to try, since Israel was sort of the keystone of our interest in the area, although oil probably should have been, and Israel occupied an awful lot of people, to get our Arabists into Israel to get a feel for Israel?

LUMSDEN: There was very little effort to do that at that time. It could have been done. Just get us out to Cyprus, get us a piece of paper, and go in. But there was very little effort made to do that. I think at that time still this sort of separate track mentality was going.

Q: I think we now have a much healthier system.

Kuwait, 1969. What was the situation when you arrived in Kuwait?

LUMSDEN: Well, the situation, of course, was good. The Kuwaitis were rolling in money. The Kuwaiti character has often been described by other Arabs as "The Kuwaitis are really the Jews of the Gulf." There is a great deal of similarity in the self-confidence. Of course, Kuwait is a small place. There aren't that many of them. They are always ready to have an opinion on everybody else's faults. They rest assured in the confidence that they were rich. They all knew Sophie Tucker's famous comment - that's where I first heard it, in Kuwait - that "I've been rich and I've been poor. Rich is better." Of course, Kuwaitis were dirt poor before the oil came. What was most striking - and I was very glad that I was the economic officer there became I think it was probably the most important substantive job in the embassy - was that as this tour went by, it became more and more apparent that the U.S. and its western allies and Japan were increasing enormously their dependence on the oil coming out of Kuwait, Saudi Arabia, and Iran at the time. In the U.S., President Nixon had removed the quota system on oil imports. Our imports shot way, way out, almost tripled. Kuwait was at that time producing well over three million barrels a day. Saudi Arabia was producing seven or eight. And through the jubilant egotism of the Kuwaitis, it was becoming quite apparent that, "You know, this is our commodity. We're going to eventually take this over." It was more than Yamani and his participation talks in Beirut. I met Yamani again. In December 1969, Kuwait and Saudi Arabia reached agreement on the dividing of the neutral zone and the equal access to the oil underneath. It was partitioned with undivided interest in the oil underneath. It's interesting that the two countries let their petroleum ministers negotiate this border agreement rather than the foreign ministers. I saw Yamani again a number of times in very informal, relaxing situations, parties at friends (This negotiation took about three or four weeks.) in which I talked to him about his participation letters. He said, "You know, all that's changing. It's going to go a lot farther than participation." We started to write despatches, I from Kuwait, Francois Dickman from Saudi Arabia, John Washburn from Tehran, saying, "Look, Washington, something is happening here. Here is what all these oil companies say that the host governments are telling them about their desires for

nationalization. Here is what the oil companies are getting demands for production. This is headed in a direction that could cause a big problem." Our despatches were being fed back to Washington where James Akins was reading them. Quite interesting. Several of those despatches. We were still writing despatches back then.

Q: You had a chance to expand. Telegrams were designed for quick events.

LUMSDEN: That's right. The whole smear: "The Embassy of the United States, presents its compliments to the Secretary of State and has the honor to report that everything is all fouled up." On a humorous note, my next assignment was as the desk officer for the Gulf states (This would have been the end of 1972, beginning of 1973), when Akins' article was coming out, the arguments about conservation were all starting, and the Secretary of State had become more and more concerned about this. I noticed that in the files of NEA/ARP (Office of Arabian Peninsula Affairs in the Department) many of these despatches were not in our files anymore. There was a note there saying that you had to check with the Executive Secretariat for access. So, I called up and they said, "Well, are you cleared to see these?" I said, "I don't know, but I wrote them." Frankly, you had to get special permission to see them. Before the actual Arab oil embargo, it was becoming quite clear now at last that, whoops, maybe something is getting out of hand here - and indeed it did. But I guess I'm getting ahead of myself. We're back in Kuwait still.

Q: It was an embassy. Who was the ambassador and how was the embassy set up?

LUMSDEN: I spent quite a bit of time in Kuwait. Actually, three ambassadors came and went while I was there. Howard Cottam was there when I made my first trip to Kuwait. He left just as I arrived in the summer of 1969. I didn't get much chance to serve under him, but he was a wonderful, avuncular gentleman who was very popular with the Kuwaitis, who was the right type of person for Kuwait at the time of its affluence and did not put huge political pressure on anything, very, very well liked, distinguished, and I think did an excellent job there. I believe he retired after Kuwait. There was quite a hiatus there until the next-

Q: Who was in charge?

LUMSDEN: The DCM at that time...

Q: It wasn't Dayton Mak, was it?

LUMSDEN: No. Dayton was the DCM in Beirut when I was there.

Q: Who became ambassador?

LUMSDEN: John Patrick Walsh became ambassador. He had been director of the Executive Secretariat, was not a Middle Eastern hand - far from it. He was actually politically very much connected with Lyndon Johnson and the Democratic Party, came

out of Chicago, was very close to the Daley machine there. He was a nice man. He was a widower, had recently lost his wife. He had a difficult time adjusting to Kuwait. The pressure of being director of the Executive Secretariat at the height of the Vietnam crisis and then being transported to Kuwait, having lost your wife, having had your son very severely wounded and crippled in Vietnam - a policy that you yourself had been supporting - and then going into what at that time was pretty much of a vacuum as far as what was big and hot in the Department of State. You could sort of see the fellow's molecular structure starting to float apart. He was unhappy in Kuwait and had a number of difficulties. Eventually, Murphy and others came out to question us on the problem there. Then we had a vice presidential visit from Spiro Agnew. Following the Vice President's visit to Kuwait, the ambassador was transferred. Then there was another hiatus. Talk about old-line Arabists. Agnew went from Kuwait to Jeddah and Saudi Arabia. We had to move him to Riyadh. He played tennis with a man named Bill Stoltzfus. That's a nice guy. Send him up there. He was one of the old-line Arabists.

Q: He came from a missionary background.

LUMSDEN: Yes. Of course, Bill worked out well with his Arabic and everything there. It was just like an old shoe. But the main importance during my tour in Kuwait was the business of oil dependency growth on one hand and the surge towards the nationalization of the oil companies on the other.

Q: Can you talk about how you, at your level, and also at the embassy level dealt with what was the Kuwait government at that time?

LUMSDEN: At that time, I as economic officer had very good access. The foreign office itself didn't have that much clout. I wasn't interested in the foreign office. Let the political officer go to the foreign office. I was interested in the Ministry of Finance, Oil, and the manager of Kuwait's money directly for the emir, who was a Palestinian, a very nice guy. At that time, you would go to the office of a fellow who was running - and this is 1969/1970 dollars - $20-30 billion in various markets. He had an office about 10 feet by 10 feet. He had an air conditioner in there, but the fan was somewhat eccentric. He kept trying to get it fixed and it would click, click, click. He would turn the damn thing off and say "let's sweat." Here was a man with colossal influence in international financial markets in this tiny little office. This was Kuwait in the late '60s. The attitudes of the people at the Petroleum Ministry, particularly those who had been educated in the United States or Europe, was hell-bent towards nationalization of the petroleum industry. Gulf Oil had difficulty appreciating this. They thought that the friendship they had built up over the years in Kuwait would withstand this, but not so, not when it came to 1973, the year after I left. I was desk officer then. But it was quite clear that they were feeling their oats on this issue. Darn it, they were going to do something about it.

Q: The Saudis had a fairly extensive program of sending their young men to Texas, Colorado, universities there, our first-rate petroleum places. What about the Kuwaitis? Were they doing the same?

LUMSDEN: Yes, they were at the Rice Institute in Texas. A couple of them got into Ivy League schools, too. They were definitely doing it. Subsequently - here I jump again, but it's that red thread that goes through - this philosophy of sending young people to U.S. and European universities so that they could get the type of education necessary to come back and run oil companies had of course a negative aspect. These people would get so educated that they would come back and start running oil companies and be extremely dissatisfied with the medieval system they found around them. There was the reaction of, "Well, if we're going to keep having trouble with these technocrats, we'd better cut back on the number of them that we send overseas and we'd better start having them educated here at home." So during the late '80s and '90s, there was a noticeable shift in the balance there. Many more of the young people (I'm talking almost exclusively men. The women stayed at home and were smarter and got better educations at home than the men.) that stayed got more Islamified than they would have otherwise and they, too, started to be disgruntled with the government for not being Islamic enough. The technocrats came back and said, "You're too conservative" and the ones who stayed home and were indoctrinated by these religious scholars said, "You're too liberal." The whole pressure system started to grow up. I don't know how they're going to solve this. They're starting to try to set up U.S. and European style curriculums in universities at home. Whether or not this is going to work or not, I don't know. But they've got feelers out to Ohio State, American University here, and others to try to do this.

Q: But at that time, how were decisions made on the economic side?

LUMSDEN: On the economic side, it probably was speedier and more effective than a political type decision. In Kuwait, if on financial policy, if Khalid Abu Sahud, the Palestinian financial advisor to the Emir, and Abdul Rahman Al Atiqi, the oil minister, came to the ruler with the suggestion that something should be done, it would be done. The ruler did not then resort to the tribal consensus business that goes on on other decisions. In other words, he looks around the room and he wants to see everybody smiling. If he sees anybody frowning, then you don't do that. But on money and oil, things got more quickly decided. Al Atiqi was very, very prone to the nationalization bit and the conservation of what the Shah was calling "this noble resource," which is too good to be burned up just making electricity and things like that. That sort of attitude is what I don't think the oil companies were appreciating enough. They were astounded when they got shut off the next year. People they thought were their friends weren't.

Q: What was your impression of the Gulf Oil and other representatives of western and Japanese oil companies in Kuwait?

LUMSDEN: They had a good old well-established relationship with the countries which they... I'll tell you a little story to illustrate this. We arrived in Kuwait in August of 1969. You can imagine what the Gulf was like in August. It was really hot.

Q: I spent two and a half years in Dhahran, so August was not my favorite month.

LUMSDEN: I guess it was the second Friday that we were there that people in the oil company found out we had just arrived. It was the doldrums of the summer and they asked us to come down on Friday for lunch, Friday being the Muslim Sabbath, at the Gazelle Club. A "gazelle" is a small deer-type animal. We drove down to the Min El Ahmadi, where this club was. That is the port where they load most of the oil being shipped out of Kuwait. The temperature was about 115 degrees. The humidity was about 75% or so. There was a sandstorm blowing with enough humidity in the air that you would get these little spitballs of sand flying through the air. We got to the club and, of course, the air conditioning had busted at the club. So, they had had to crack open the windows to get some air into the place. I got in there and started talking with a couple of Kuwaitis and introduced myself. They said, "Oh, good. You just arrived. What are you doing here in Kuwait?" I said, "I've just come in. I'm head of the Economic Section at the American embassy." They looked at me rather strangely and said, "American? Are you American?" I sort of didn't catch what their drift was. I said, "Yes, I am an American." They said, "You don't talk like an American." I said, "If I don't talk like an American, who do you think talks like an American?" He looked around the room, pointed out on the balcony. There was a fellow about 6'6" out there in boots and jeans, a good ole' boy, telling his Kuwaiti friend, "This is mighty fine weather you all are having here." He said, "He talks like an American." So, this camaraderie of good ole' boys who like hunting and guns and things and go on a first name basis right away, unlike the imperial Brits. They had a very, very good rapport with the Kuwaitis. It was this rapport that misled Gulf Oil into thinking that they had it made in Kuwait, that they'd never be thrown out, because they weren't the British colonialists. But they were.

Q: On your reporting, basically, were you reporting on attitudes or unrest of the workers or what have you? What were you concerned with during this 1969-1972 period?

LUMSDEN: There was no worker unrest. That wouldn't be tolerated. They had a couple of supposed radicals who were allowed to write articles against Israel in the paper. Every once in a while, they would say things about the exploiting capitalist oil company which fit in with the overall plan, but there was no true worker unrest. Most of the real workers weren't Kuwaitis anyway. In the bureaucracy, they were Palestinians and in the grunt jobs in the field, they were mostly Asian subcontinentals from Pakistan, India, and places like that. No, what the reporting mostly focused on was the dynamic between the companies and the host government and what the companies were doing on the one hand to meet these extraordinary demands being placed upon them for production, at the same time as fending off the host government, saying, "Boy, you know, you're taking our national patrimony here. You're stimulating us to move against you." That was the crux of it.

Q: When one always talks about oil, it's as though oil is a thing unto itself, when in a way, oil in the world often is money. You're talking about where this guy with a malfunctioning air conditioning is going to put his $20 billion. This often is more almost a treasury or a New York or London type thing. Were you reporting on this or was this where Kuwait was investing its money?

LUMSDEN: We would report what we would find out about Kuwait buying a 21% stake in Reuters News Agency and things like that. Of course, what we didn't have was the view of what the Kuwait investment company's office in London was doing, how they were playing. All we knew was that there were sums and that certain types of investments were being made. How they were being handled, we didn't get probably as deep into that as our London embassy could, but we did note things that they picked up on and could find out further what the meaning of it was. It's interesting to note, oil and money, yes. One of Atiki, the oil minister's, famous quotes - and I think that Dan Yergin even has this in his book, The Prize, - was, "Why should we be producing all of this oil in exchange for paper currency from the West which is not guaranteed?" Remember, Nixon took us off the $35 per ounce gold in 1971. That was the reaction to that. Again, the increasing production played into the hands of those who would nationalize so that this great resource could be saved for future generations. The fact of the matter is, the age of hydrocarbons probably will come to an end within the next 30-40 years and these governments are going to be left with an awful lot of merchandise still on the shelf. But that is leaping way ahead.

Q: When I was in Dhahran just south of you from 1958-1960, one of the games we always played was, we saw a lot of the Palestinians doing a lot of the grunt work. They were also in the military and everything else while the Saudis were not taking much control over things. It was the game of "How stable are these governments?" The thought was that at some point there was going to be a Palestinian takeover because they were smarter than anyone else and also are more competent. Was this something you all were looking at in Kuwait?

LUMSDEN: Certainly the political officers were very much focused on this, the stability of the regime. This is one misconception that hurt us and our policies a great deal. You say that everybody was fixated on the stability and longevity of the House of Saud. That reflected in political reporting from Kuwait as well, the stability and longevity of the House of Sabah. Visitors would come through from Washington - congressmen, senators, assistant secretaries, secretaries - and they would all get back to Washington and say, "You know, we really have a problem. The stability and the longevity of these Arab governments in the Gulf is really open to question and I know that for a fact because I really got the lowdown from our one real ally in the region, the Shah of Iran. We'd better rely on him. Saudi Arabia is going down the tubes." Well, it speaks for itself. It may be antique. I still think that if the House of Saud has a revolution against it and it gets turned upside down, what we'll find is that a different branch of the House of Saud is running the things. What I've just said doesn't mean that I say that it's completely stable. All I can say is, it lasted a heck of a lot longer than some of the ideas of people who said that it wouldn't.

Q: What about the relations with Iran and Iraq? How were they perceived at this time?

LUMSDEN: At this time, being 1969-1971, we did not report much on Iran. I guess

Ambassador MacArthur was there at the time.

Anybody who tried to report in the 1969-1973 period that the Shah of Iran was a weak reed upon which to lean would have a tough time selling that line in Washington, where such verbiage would be considered much as saying to the Pope that the Immaculate Conception was a fraud. It just wasn't on. The Arabs were the weak ones. The Arabs were the problem of stability. "We are needing them more and more and they are so weak and so feckless that they're bound to collapse. The Palestinians or some radicals will take over." Of course, when Iraq invaded Kuwait in 1990, the Palestinians went with Iraq and the Kuwaitis threw them all out.

Q: Were we concerned from the perspective of Kuwait that Iran might try to do something against Kuwait, or pressure Kuwait or anything like that?

LUMSDEN: Iran at that time - and probably still - makes a little nod in Kuwait's direction. Kuwaitis don't like Iraqis. Kuwait as a separate burr under Baghdad's saddle is something that Tehran, whichever the government is there, finds somewhat agreeable. That is a wonderful discussion that would take hours that we don't have on the Kuwait-Iraq border.

Q: Let's talk about Iraq at this time. Iraq had gone through the July 14, 1958 thing. I'm not sure who was in charge by this time?

LUMSDEN: Abdel Bakr.

Q: They killed the other guy.

LUMSDEN: Abdel Karim Kassim.

Q: He was killed on TV.

LUMSDEN: He was the one who tried to take over Kuwait in 1963 or 1964 and the Brits sent in a couple of paratroop units and things and frustrated that. The next time it came around, it took half a million men to get it out.

Q: What was the feeling towards Iraq during this period?

LUMSDEN: In Kuwait, the feeling was one of great trepidation that the Iraqis are still out to get us and the Iraqis would show their muscle, that they could do anything they wanted in Kuwait. One of the big shots of the Tikriti clan who fell out of favor in Baghdad was sent on a trip to Kuwait to visit with the Emir and the Iraqis went in and assassinated him on the way to this meeting with the Emir just to show, "Look, we can do any damn thing we want to in your country." The Kuwaitis were frightened of the Iraqis. At the same time, given all of the turmoil of the growing oil problem, the aftermath of the 1967 war, the stalemate in the Sinai, Sadat, and all this, their political focus was on trying to be

more Arab than the Arabs. They had, if you will, an Arab policy of preemptive capitulation, which means that any time they saw an Arab political cloud on the horizon, they would move to preempt it, usually with money and a lot of propaganda saying how they hated Israel more than anybody else and the Palestinian cause was a holy one, etc., all to try to avoid getting on people's bad list.

Q: Particularly in your field, did you find that when you met Kuwaitis, you had to sort of deal with Israel and then you would agree to disagree and then go on to other things? Did you find much real support for the Palestinians by the Kuwaitis themselves?

LUMSDEN: They articulated a great deal of support up-front for the Palestinians. Kuwaitis themselves were still quite accessible. I understand that now in Kuwait being a foreigner is not this easy, but we had a fairly relaxed atmosphere there. We would go out socially with them, have Friday picnics and things like that. Yes, the question of Israel came up. Of course, I as a State Department Arabists said, "Look, Israel is a political fact in the United States. I don't necessarily personally agree with 1,000% support of Israel right or wrong in the U.S., but it is a fact. In the final analysis, you do need the United States for strategic support." It was kind of hard to convince anybody at that time that they needed the United States for strategic support. However, when you started bringing in the question of Iraq and the tough neighborhood in which they lived, I had some fairly good conversations with them. I didn't try to approach it as an apologist for Israel, but that Israel is a fact, Israel is here, it's established, it's a country, and it's going to be there. Now what are we going to do about that? Do you want to go on having a war forever or do you want to reach some sort of modus vivendi on this? The Kuwaitis were... Well, you can't make a blanket statement. Some of them were very difficult on this subject and didn't appreciate where their own future was headed. Others were quite willing to sit and talk. Abul Atli Al-Hamed, the head of the Kuwait fund there, was very good on this. He was a Harvard graduate.

As far as the little Gulf Arab countries are concerned, never has so much happened to so few in such a short period of time. It's absolutely unbelievable what they went from to where they arrived. So, bizarre reactions to things shouldn't be considered too unusual. The Kuwaitis are probably - particularly now that we got all their chestnuts out of the fire in the early part of the 1990s - are probably still just as egotistical and overbearing as they've always been.

Q: Did the Kuwaitis have the reputation and were you seeing it in the Arab world of this being overbearing and sort of nouveau riche? This came out during the Gulf War. There was no love for Kuwait at all, but the dislike of Saddam Hussein was paramount. I was wondering whether you were seeing that the Kuwaitis really weren't a well loved child of the Arab world?

LUMSDEN: Yes, but they didn't give a damn.

Q: What about Palestinians and Kuwaitis getting along together? I would think they

would be more your natural friends and all because they would be more the technocrats and all this.

LUMSDEN: It's interesting. In the Gulf, the Palestinians by and large gyrated more towards the bureaucracy, technocratic positions in ministries, in funds, in lots of positions where they could assure Kuwait government support - financial and otherwise - for Palestinian causes. The entrepreneurial types that came in to make the fastest buck they could were practically all Lebanese. It was amazing. I noticed that in Kuwait and then when I got down to the United Arab Emirates, it's the same bifurcation of expatriate Arabs. Palestinians into the bureaucracy, Lebanese into entrepreneur business undertakings.

Q: You certainly found the Lebanese throughout Africa and Latin America, the entrepreneurs.

LUMSDEN: Yes. There is that famous joke about the Lebanese family that emigrated to Brazil and took their little boy to the first grade class to transfer and the teacher wanted to find out what class to place him in. "Okay, Amin, what does two and two equal?" He said, "Are you buying or selling?"

Q: How was Egypt viewed at that time? Sadat was in charge. Nasser was dead.

LUMSDEN: Nasser was dead. Sadat was respected. Egypt was still the largest Arab state. The Egyptians didn't have the emotional account to draw on that the Palestinians had. However, the necessity of Egypt getting its act back together again was recognized by the other Arabs. There is no doubt about it though that the debacle of 1967 had really trimmed Egyptian influence throughout the Arab world, actually to the delight of capitals like Baghdad that always considered themselves in competition with Cairo anyway. Egyptians, however, are a likeable people. People always like to have Egyptians around. They have good senses of humor. They have a nice fatalistic approach to the world. They were still popular as a country. They did not have the commanding presence that they did under Nasser.

Q: Were Egyptians seen as true Arabs? Did you find the Kuwaitis saying, as the Saudis often would, "We are the true Arabs and the Egyptians really are...?"

LUMSDEN: Well, if you want to talk race, they're right. The Egyptians are Hamites and the Gulf people are Semites. That came up from time to time. Lord knows, if you say that the Egyptians are not Arabs, what are the Algerians and the Berbers and everything else? But, no, you did run into that. It's funny that under Islam as far as racial equality goes, it's not all that equal. The prime minister now - then defense minister - Abdullah Sabah, is the son of a slave. He is African.

Q: Is this the one who is known as the "Black Prince?"

LUMSDEN: Yes, exactly. There was no problem there. He was of royal blood. However, there was slavery and maybe in some ways still is in some parts of the world there. There is amongst the Bedouin tribesmen a definite superiority complex over Africans. I've seen them any number of times insisting in going through the door and things like that. There is prejudice there.

Q: This was the first term of Richard Nixon and Henry Kissinger as national security advisor. Did you get any feel for that at all either from the Kuwaitis or from Washington or were we sort of off everybody's radar?

LUMSDEN: In Kuwait, the style of the Nixon-Kissinger administration of foreign policy was basically not felt by the Kuwaitis at all and by the embassy only to the extent that I was puzzled why our reporting seemed to have very little influence back in Washington. When we get to the next step, returning to Washington as desk officer, then certain other things become apparent. But way out in Kuwait, the intricacies, the subtleties of the shift and things like that were not apparent.

Q: How did the visit of Spiro Agnew go?

LUMSDEN: Of course, this was before the Nattering Nabob met his Armageddon. The Kuwaitis were very complimented that a vice president of the United States would come to Kuwait. They had never had anybody... They liked that. They enjoyed it. He was only there for 48 hours. They were pleased that they were at least on the radar there, particularly when, of course, Great Britain sends everybody of importance to these former protectorates in the Gulf. Even the Queen goes and visits them incessantly. Kuwait was not really considered very important in Washington at the time.

Q: Did you and your colleagues at the embassy feel that you were in somewhat competition with the British? Was there a difference there?

LUMSDEN: Oh, yes. This, of course, was at a sensitive time for the Brits. The East of Suez policy came into effect while I was in Kuwait. I can't remember the exact date when it came in. This meant that, although places like the United Arab Emirates, Qatar, and Oman really would have been delighted if Great Britain would have continued to do their foreign policy and defense, nevertheless, they were going to be forced to be independent countries. I first started to visit the lower Gulf in 1970. Fortunately, the Department made a good decision. They decided in the interim to make Bill Stoltzfus the non-resident ambassador for all the little lower Gulf states rather than having it operate out of Saudi Arabia. The Saudis were big and strong and pushed people around. The recognition that we saw them as being an independent little thing like Kuwait was sold well. As economic officer, I had the task of visiting the lower Gulf and saying, "I'm an American. You haven't seen many of us around here because we never could get in here. We were locked out by the Brits. There are all kinds of things we can talk about. You're forming Gulf Airlines. We're going to come down. We are going to talk about all these wonderful Boeing airplanes we've got, etc." So, that was good for us, but the Brits, I must admit,

correctly saw, “Boy, now we’re getting a lot of competition for what was a monopoly commercial situation that we had in places that are going to boom now.” So, there was some tension there. But they accepted it with aplomb and resignation, although quite clearly it was not to the taste of some of the old hands in the British foreign office.

Q: Were there any other developments we should discuss?

LUMSDEN: I’m trying to think. When we had the incessant border argument going on-

Q: The border with whom?

LUMSDEN: With Iraq. They have constantly tried to get full recognition by Iraq of their border which came in during the 1920s with Sir Percy Cox and the line in the sand when they traded off a chunk of Kuwait which is now Saudi Arabia in order to get the Iraqi neutral zone for the new Saudi-Iraqi neutral zone. Then they said, “Well, leave it at the red line.” Before World War I, the Turks and the Brits negotiated something, which was never ratified. This was a scar on the hearts of the Kuwaitis to get this thing regularized. I bet it really still hasn’t been done yet. I’m trying to think of what else interesting in Kuwait that we might not have hit on yet... I can’t think of anything more.

Q: In 1972, you came back.

LUMSDEN: In 1972, I came back.

Q: And you were what?

LUMSDEN: I was the desk officer in NEA/ARP. I was the desk officer for Kuwait, Bahrain, Qatar, and the United Arab Emirates. I remember my first NEA staff meeting. Joe Sisco, the assistant secretary, looked at me and said, “Oh, well, who are you? Introduce yourself.” I did. He said, “Where have you been?” I explained that I had joined the Foreign Service in 1957, I had had the A100 course and then been sent to the reception center in New York in 1958, much to my chagrin going right back home, but in 1959, I had left for overseas assignment and I had had continuous overseas assignments from 1959 through the end of 1972, which technically broke some sort of law. They were sort of aghast because I had never been back to Washington between 1959 and 1972 except on home leave. Probably for that reason, at the end of the tour of which we speak, I was subjected to Henry Kissinger’s GLOP (Global Opportunities Program) Program, which basically was a way to bust up old-line Arabists and get them to look at something else.

Q: I think it was precipitated by Latin America. Kissinger went to a meeting in Mexico City and discovered that nobody was particularly interested in developments in the Soviet Union.

LUMSDEN: Certainly I was a prime candidate. Actually, it worked to my advantage.

Q: You were 1972 to when?

LUMSDEN: 1972-mid-1974, when I was GLOPed. I took Paris.

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Q: Today is March 16, 2000. Quincey, you wanted to add something here.

LUMSDEN: We're now meeting in the middle of March having had a hiatus since the latter part of January, not being able to get together. The reason for this is that my wife and I have been engaged in reverse parenting ever since then. Her parents happen to live in Greece. As family problems in the Foreign Service go, you used to think that it would be education of the children that presented perhaps the greatest problem because of the distance involved - and it is a problem. Now, I realize there is a second problem, which is the caring for loved ones, your parents.

My parents went into their decline during the period of time when I had two of the most time-demanding assignments that I had, one as chief of mission in the United Arab Emirates and the other as a director of an international agency, both overseas. My parents were here and I'm an only child. There were no siblings or anyone to help. My wife, who is also an only child, was of tremendous help to me at that time. I couldn't have gotten through it without her. Now, I'm in semi-retirement living on this side of the Atlantic Ocean and her parents are going into decline. Her father is a bona fide World War II hero. He is now 85 years old, has Alzheimer's, and is going blind. He is being taken care of by his wife, who suddenly has knee replacement operations and she has osteoporosis. Her mental capacity is still fairly good for a woman of 80 going on 81 years old. But as many people, particularly in Southeastern Europe during the World War II era, did not get really proper nutrition. She has osteoporosis and has gotten one knee replacement which, touch wood, was successful. But I've spent the past six weeks babysitting an 85 year old former Spitfire pilot who has Alzheimer's and is going blind. Because we speak in English most of the time, he thinks he's in the United States all day and can't figure out when other people come back in the evening how he got back in Greece. He gets up in the morning and wants to go to school. He keeps going down to his automobile and trying to start it so that I have to detach the battery cables in order that he doesn't. The Foreign Service is perhaps - I've been out for a while now - taking cognizance of these types of situations, but I would say they're very, very pressing and very, very trying on employees. We spent over five weeks in Athens. Not one single night did we go out and do the Sirtaki at a taverna or anything like that. I literally cleaned up after my father in law. We've gotten full-time help in now. They do not have Alzheimer's specialist facilities there. Obviously though, this is a declining cycle. We'll have to be back again because she has to go into hospital again and the cycle will repeat. So, I make a little plea for those who do the policy planning for administrative matters in the Foreign Service to think of the poor officers who have the reverse parenting problem.

Q: Okay. We're when?

LUMSDEN: If we got to GLOP, we must have gotten to about 1974. Kissinger wanted to break the mold of what he thought were mono-dimensional officers who had served too long in Asia, Latin America, and the Middle East. I think that several of my colleagues and I might have added to it. I reported back to the Department of State in 1972 just prior to the period we're talking about now having left in 1959 without any intervening Washington tours at all. Except for one tour in Europe, it was all Middle East. So, I was held up as one of the classic examples of what you're not supposed to do.

So, the horrible result of GLOP was, I got sent to Paris!

Q: It's a dirty job, but somebody's got to do it. You were in Paris from when to when?

LUMSDEN: I got to Paris in late summer 1974 and was there through the first Iranian takeover in the latter part of 1979. I was back home by the time the main hostage crisis started.

Q: 1974-1979.

LUMSDEN: It was a tour that turned out to be very good for me. With my petroleum economic reporting background, the 1973 oil crisis had just hit and the International Energy Agency was being formed and France was objecting to this formation of this cartel of rich countries. They were grandstanding to the non-rich countries of the world by saying that the IEA is, as Jobert said, "a machine de guerre contre l'épais en doit de developpement." We had famous arguments in the paper every day between Kissinger and Jobert about the efficacy of establishment of the IEA and I got the assignment in that the French were not joining to do the French energy policy. At that time, it's amazing. Western industrialized countries including the United States simply did not have overall energy balances. They didn't really know what segments of the energy input was going into what segments of the energy output. It was incredible. Even countries like Germany that you would have expected to have one didn't.

Q: Did we have something like that?

LUMSDEN: No, we did not. We had basically Jim Akins playing Cassandra doing his Wolf is Here article and President Nixon getting on television showing people how to turn down the thermostat in their living room. We did not have the Energy Information Agency, any of that stuff. We did not have a coordinated plan at all. It was amazing, after having controlled the world of oil and energy for the better part of a century through our multinational corporations which we were very happy to have incorporated in our territory, suddenly losing the handle through the Tripoli and Tehran agreements. The posted price situation busted and then, of course, we had the 1973 war, which you can read about in Daniel Yergin's, The Prize, how the airlift to Israel arrived during the middle of the day when it was supposed to arrive late at night because the winds in Lajes

Field and the Azores kept these huge, goliath planes down. The friendly Arabs knew that we were going to do this, but then when it all got publicized, they met and the Arab oil boycott resulted. Before they met, OPEC in general busted the price and it skyrocketed up to $5.60 or $5.70 a barrel, but the important thing was that OPEC was calling the shots all of a sudden, not us.

Q: What was your position in the embassy?

LUMSDEN: In the embassy, I was the general economic policy officer. I worked for a gentleman named Jack Myerson and Art Hartman, who was the ambassador then. I guess I flatter myself in saying that I did an awful lot of work in French energy policy at that time and came up as close as we could get with a French energy balance and what the French oil companies were doing. We fed that back to Washington.

Q: Did the French know what they were doing?

LUMSDEN: To start, not all that much. They knew what they wanted to do, how to grandstand to the Arabs as much as possible. They felt that would assure a continued friendly relationship and that they wouldn't be cut off. However, shortages hit them just as well. As we all know by now, the oil market is totally fungible. You can't say, "You don't get any and you don't get any." It's just a great world.

Q: The word "fungible" came out during the crisis. Before that it was an esoteric term. After that, everybody was saying, "We all know that oil is fungible."

LUMSDEN: Of course, another thing that happened to me there was, as fate would have it, the Iranian Revolution came on. I got extensive TDYs back down to the Gulf to interview people down there and talk about the situation as a result of the Iranian Revolution. Khomeini was in Paris at this time. The French flew him back, thinking that they would get a special deal out of that, which they did not.

Q: I'm sure it's from my chauvinistic American point of view, but it seems like the French always end up by being, in the British phrase, "too clever by half."

LUMSDEN: Oh, I think you're right. The problem heretofore with French policy has been that the various insiders, the Ecole Nationale d'Administration-types and others, are able to make policy decisions with very little reference to what public opinion might think in France. When it doesn't work, they just brush off their desks and say, "Well, we'll do something differently." There has not been really in my view in France a really good public accountability quotient for many of the policy actions that they've taken in the past. Now, they're faced with the new globalized economy and we'll see whether they can break out of that pattern or not. But I would agree completely that they are too clever by half.

Q: When you got there in 1974, what about dealing with the French? How did you go

about it? What were your impressions? Did they change over this period of time?

LUMSDEN: Well, I don't think my impressions of the French have changed as much as they have developed and become more, I think, penetrating. The French actually are a very nice people who have an inferiority complex that shows itself in superiority. There is anxiety there. You can't blame many of them because of the constant pressure on the great French culture and what was "la grande nation" for them acting sometimes the way that they do. When you got your back up against the wall, they'll usually come out on the right side and support you. But they are terribly sensitive to the fact now that a bipolar world in which they were not one of the two poles, but in which they thought they could play an interesting swing role, has now, to all intents and purposes, become a unipolar world where they don't feel they have the leeway to play one side against the other and inject themselves as crucial.

Q: We want to swing to 1974-1979. Could you go down to the Minister of Energy or the equivalent thereof and get information or go to the oil companies?

LUMSDEN: Oh, yes, I got lots and lots of information and lots and lots of lectures on the state of the world and how if only America's strength could be combined with France's intelligence. But I took this all in good stead. I'm a rather cynical, humorous person. I think that people enjoyed having me around. I had a pretty good time while I was there. Anybody who can't have a good time living a few years in Paris ought to have their head examined. But this was their wont to try to get us to understand the true nature and complications of the world that only a very, very mature society such as France could impart and they wanted to help us out.

We had, of course, while we were there, the Conference on International Economic Cooperation, the CIEC, at the Kleber Palace. I think that was 1975 or 1976. It ran on for three years and ended not with a bang, but a whimper. This was a time when generally economic policy in the U.S. as well as elsewhere was in the model of John Maynard Keynes. Nixon said, "I'm a Keynesian." We were willing to take the whole menu of commodities that are crucial to the industrialized world and the third world and to put ceiling and floor fixed prices on these if the oil producing states were willing to put ceiling prices on their commodity. Guess what? They sort of liked the free market at that particular time. It simply wouldn't work out. I think since that time there has been a steady decline in the resultant vector of international economic policy makers that governments can fix things. Currency markets have gotten out of the control of finance ministries and departments. They're just too enormous. Oil, on the other hand, can no longer really be fixed by governments anymore, not even OPEC. At that time, it was felt that you could. Of course, you couldn't. The price went up, way up in the first Arab oil embargo. Then at the end of the decade with the Iranian Revolution, where there was no exact embargo, but the market had a strong perception in 1978 and 1979 that supply was going to be inadequate, the price spiked again. I went to the Gulf in 1978 and again in 1979. I found my former contacts there riding a crest of egomania. They thought that this was it, they had it made. As the Shah said, "This is a noble resource. The price is right

and that's the way it will stay and it will probably go to $50 or more a barrel." Kuwait was showing the door to Gulf Oil and people like that. Of course, we had been trying to impress the Department with the fact. Jim Akins at least certainly got the message and knew that with the nationalization moves underway and the reliance of the West upon this commodity, we were headed for big trouble. Indeed, we were - so much so that after I got back from a TDY in the Gulf in 1979, I suddenly found that my assignment in Paris was, in effect, over and I was to report back to the Office of Arabian Peninsula Affairs forthwith as deputy director in charge of all the Gulf states except Saudi Arabia. That came in 1979 just about four or five weeks before the big hostage takeover in Iran.

Q: To whom were you reporting on oil matters back in Washington?

LUMSDEN: On oil matters then, we were reporting to the Office of Fuels and Energy, which I think has been transmogrified into something else by now, and to the Bureau of Near Eastern/South Asian Affairs. I remember seeing the then-assistant secretary having written on a memo (I wasn't there then. I was still in Paris.) when the threatened embargo was made, "What are they going to do, drink their oil?" Nobody really believed that it could happen. It did. It caused a great recession in this country. I'm trying to think of what I can usefully add to something that has been written about so thoroughly.

1973 before I went to Paris... I'm sorry I jump around, but these things pop into my head not in a perfect chronological order. I, being an eager desk officer for Kuwait, Bahrain, the United Arab Emirates, Qatar, Oman, and Yemen, of course, went to the office on Saturday. The word came in that the OPEC meeting in Kuwait had busted the posted price system, that they were taking control and were going to price it themselves.

After OPEC broke the posted price, the OPEC countries who met in Kuwait, after the Iranians and the Venezuelans and other non-Arabs left, broke up in disaccord over the question of whether or not to embargo, with Saudi Arabia stonewalling in trying to keep this thing from happening. This was all the same day. The Secretary of State, who had flown off to Eastern Europe somewhere, had received the news that the airlift to Israel had been delayed and that when it arrived, the Arab ministers who had just left Kuwait and gotten back that very day to their own countries, heard about it and said they were going to embargo anyway and that our airlift had to go forward because it was a question of U.S. arms perhaps being defeated by Soviet arms. This was when the Egyptian army had pressed the Israelis on the other side of the Canal. This was all one day. We had gone to DEFCON two. That is like full nuclear alert.

Finally, that was the day of the Saturday night massacre! my wife said, "What is going on down there?" I said, "Wait until I come home!" It was an incredible day. You can see how with the Watergate scandal breaking something like that would affect the decision making ability of the government. Luckily, we backed down from DEFCON two. The Israelis held. As a result, Sadat got just what he wanted: everybody to pay attention to him so that he could sign some kind of peace agreement with the Israelis having some sort of negotiating position. Anyway, that was the famous October 20, 1973.

Shifting back to Paris, it was agony all the time on energy while we were there. We basically had lost our negotiating leverage with OPEC and they just ran the show. The International Energy Agency was formed. Tom Enders negotiated that agreement. Actually, that was November 18, 1974. I was invited back to the 25th anniversary on November 18, 1999. The agency sans la France (French: without France) went into effect and started to try to get the industrialized consuming countries to have some sort of cooperation. Out of that comes our strategic petroleum reserve, a whole lot of work on other energy sources, and comes the producer-consumer dialogue which I skip ahead to because that is something that at that time was absolutely anathema to us because the dialogue meant that the producers were going to levy terms on us that we didn't want that were not market terms. So, this was in the late '70s and early '80s. I jump ahead a bit.

Q: Who was calling the shots in the French government? Was this a matter of the foreign ministry?

LUMSDEN: No. The foreign ministry pretty much followed the ministries of finance and economy on this. Their job was to keep relations with the Arabs good. Well, Valery Giscard D'Estaing was the president of France at that time. I think by and large most of the decisions on energy policy - for example, going to 70% nuclear for electricity - were made at the presidential level. I am trying to remember the names of the various economic ministers we had at that time. Darned if I can recall all their names right now. A very important person was Raymond Barre, who was Minister of Economy then. The fellow who is now the head of Total. The French move people out of government. Thierry des Male or someone like that was very important in that. But I think that the basic decisions on energy policy at the time I was there were made by Giscard D'Estaing and Raymond Barre, not by the foreign minister.

Q: When you were watching this, you had both, the oil portfolio and you were an Arab specialist. The French are still even today trying to show that they're greater friends with the Arabs than anyone else. Did you see a short-term, long-term effectiveness of this policy at all or did the Arabs...

LUMSDEN: To be very honest, no. The Arab oil producing countries are mostly desert Arab Bedouin stock people. They know what they call "killam fadhi" (free words) when they hear it. They also know where the real power is and that was with us. I did not see a tremendous benefit for France except possibly in contracts to negotiate for arms sales. I admit, they did preserve their concession rights in places like the United Arab Emirates, but so did we. They never nationalized. The French would say, "Look, we weren't taken over." But where else other than in Iraq were the French that strong? I do not see that it gave them that much of an advantage over everyone else.

Q: Did you see a certain amount of almost delight in feeling that "We're the big boy and we're playing this carefully balancing game and sticking it to the United States" when actually nobody else was playing the game and it was almost an internal French one?

LUMSDEN: You see, yes, there was, but it was done for local political clout. It was constantly "France-Amerique." It didn't make any difference whether it was positive or negative, but it had to be "France-Amerique," "Paris-New York" to put the political discussion on this phony level that France and the United States basically were equal partners in the world. The policy was one of delighting in American difficulties to pronounce these in front of the French public. It still goes on. Jacques Lang visits death row in Texas and thereby certainly condemns to death anybody that he visits. If you think the state of Texas is going to buckle under if some froggy goes down there and tells them, "Oh, don't kill that fellow." He's dead meat as soon as Lang arrives. Excuse my cynicism, but I'm getting old. But it is true. Plus the fact the French themselves had the death penalty through 1981. We had done away with it before.

Q: While you were doing this and were watching the French but you were dealing with oil - this was sort of a place where people met from other countries - were there really other players that were around in the oil thing? I'm thinking of Germany, the United Kingdom, Japan, maybe Italy?

LUMSDEN: Oh, very definitely, but at this period of which we speak, I was assigned to the embassy in France with a brief to cover France. I was not in any international thing. I from time to time would meet a German diplomat or something like that. But it was not my bag to get into what the Japanese, Germans, and others were doing. So, the answer is, yes, of course. They played very prominent roles, particularly in the founding of the International Energy Agency, right under the French nose. The French wanted the headquarters to be in France. Although they didn't necessarily want to join it themselves, they wanted it under the OECD umbrella. So, it came out as a dotted line out to the side administrated by but autonomous from the OECD. France, by the way, is now a member of the IEA and is participating fully in all the discussions there. Times change.

Q: Were you reporting on other elements of the economy?

LUMSDEN: Energy took up a lot of my time, but other mineral resources and commodities got a little bit of their share. The Law of the Sea took up quite a bit of time. Reports generally on non-energy related mining, some on technological developments in agriculture, but we had an agricultural attaché there who did most of the gut work on that. And hustling bags for Bob Strauss, the WTR. I did an awful lot of note taking and carrying on whenever the World Trade representative was there. I followed him around and took care of him. Which was terribly interesting, by the way.

Q: What was your impression of Strauss in this environment?

LUMSDEN: I think he did pretty well, all things considered. The problem, of course, was the U.S. economy was pretty weak at the time he was trying to operate. We had an enormous inflation rate. We were constantly getting into these trade flaps with the Europeans that ended up like kindergarten sandbox fights. But I don't fault him at all for

his personal tactics. It's just that it was a time when, totally unlike today when our economy is so obviously muscular that what we say and what we do counts. Back then, we were scrambling around under some pretty bad economic indicators and trying to get a move toward (Was it the Uruguay Round???) was awfully painful. We really didn't progress that much during the Carter administration on these economic matters.

Q: How did you find dealing with these graduates of the Ecole Nationale d'Administration, L'Ecole Polytechnique? One always hears about these people who were off to one side in rather austere offices smoking heavily and making these decisions. How did you find dealing with them? This was not just a normal relationship. Everybody was, if not scared to death, really concerned about a present day situation of an energy crisis.

LUMSDEN: Yes. Well, first of all, there is a social cache of complete snobbism there that is totally out of it as far as this country is concerned. I guess we can edit this later. I found that my entrée such as it was with these types, who were quite smart to start with, came around quite a bit when they knew that my great, great, great grandfather was the first treasurer of the United States, before Alexander Hamilton, that I went to Deerfield Academy in Massachusetts and Princeton University and had been an officer in the U.S. Navy and blah, blah, blah. That is what they were looking for. They were looking for what they imagined eastern establishment elitist Foreign Service officers to be. So, I tried to make them happy. It tended to break the ice. They don't go on to first name basis very easily. They don't cotton that much to the hail fellow, well met American. The Arabs, on the other hand, do. It's snobbism and it's snobbism that is a cover for what is basically inadequacy. What more can I say?

Q: I watch French TV every night and no matter what happens, they're comparing what is happening there to the United States.

LUMSDEN: Mais naturellement (French: But of course.).

Q: You won't find much comparing of France in the United States.

LUMSDEN: We don't even think about what they're... They're trying desperately to retain this grande nation image, which clearly even the other Europeans sort of smile wryly about.

Q: This was a worldwide crisis. You were in one of the key places. How much did the ambassador, Arthur Hartman, and others look at what was happening? Or was it sort of out of their hands?

LUMSDEN: I would say that Ambassador Hartman was extremely interested in what I was doing in energy. I would get called down to his office once or twice a week just to report, "What's going on? What are they up to now?" I would try to explain the best I could. Sometimes I knew. Sometimes I didn't know. I don't think the other branches of

the government had the assets there to discuss sections of nuclear power going into electricity, what the world scale tanker rates were doing, whether they were meeting or lagging behind oil prices, how oil prices were even set. These other agencies were more interested in the Cold War aspect and what was going on in the big picture. I think I was about the only guy there doing this little bit. Suddenly, I got my day in the sun. Interest, yes, heavy interest. But it was such a new, awful field. We had gotten ourselves into a terrible bind. We were searching wildly for ways to get out of this. The way to get out of it ended when they started to produce so much oil that the price went down.

Q: Were there concerns, interests, or what have you in the fact that France was turning to 70% nuclear? These are small countries with big nuclear plants.

LUMSDEN: No, it was not of concern. It was sort of "Gee whiz. I wonder if they can do this. I don't think we can do it in the States." We were building nuclear plants at this time, but we all know the difficulties of nuclear power, which aren't as difficult as some people paint them to be. I personally believe it's still something that should be looked at in the future. I will give the French full marks for just plunging... This is what you can do in France regardless of public opinion. We are the French. We know better, right? So, nobody says anything. The Loire River level drops as all the dams are put in and all the heating units and everything go. Everyone says, "Ah, we're better than the Americans. Look what we can do." The degree of nuclearization in France, I think, has really topped out. I think they're going to actually have to back off a bit from this now. But it was an outstanding example of what you can do if you don't have too much public opinion to worry about.

Q: There was a lot of publicity at the time about the French putting research into solar energy, wind energy, etc. When Carter came in, he was saying, "We're in the equivalent to a state of war. We have to do something about our energy." There was a lot of effort made... Was there collaboration? Solar energy, for example, was considered to be perhaps one of the keys to cutting our dependency on oil.

LUMSDEN: Yes. Solar energy, wind power, fusion... More power to anybody who can get those things into a commercial state.

Q: Were you seeing a collaboration?

LUMSDEN: There were incessant people coming from the United State to France and French scientists going to the States to talk about fuel cells, about fusion, about hot dry rock, about all these processes, gasohol. The point is that there is lots of talk and there are lots of things you can do in the laboratory aside from nuclear and hydroelectric under certain conditions. Virtually none of these have yet advanced the point where they can make a significant contribution to the energy balance. The more they're examined, the more the negative aspects - wind power and the amount of space required to get enough windmills up, the amount of damage done to birdlife, the degradation of the landscape as a result of that - not good.

Gasohol. Someone figured out that if you took all of the corn every year raised in Iowa and didn't sell it to anybody except the energy industry and they turned it into gasohol, we could have perhaps 1.5-2 percent of our gasoline requirement. Plus the fact that these things kick in at high prices just as some hydrocarbons do (shale, Orinoco sands, shale oil, tar sands, all of these). The thing that saves us - here's my cynicism again - is that all this created a colossal damned recession. The bottom fell out of demand. OPEC went on thinking they were kings of the world until about 1983. At that point, one day, the finance minister of Saudi Arabia came into Fahd and said, "Here is the government's balance sheet." The figure for foreign exchange holdings was $99.5 billion. It went under $100 billion. The king said, "What's this?" He said, "Your Majesty, we're OPEC's swing producer. We have to keep lowering our production in order to maintain the price because the demand is dropping. The others have the right to go ahead. We, having so much oil, have agreed to swing down." "How much oil are we producing?" "Well, only about two million barrels a day, Your Majesty." "Get Yamani on the line." Yamani was told, "This doesn't work anymore. Open up the taps. We're getting back into this." So, of course, they opened up the taps and by 1985, the price was in a downward trend and the largest economic recovery in American experience started soon thereafter, not to say, please, that oil is as important today as it was then. We've got the whole new economy. That is an entirely different discussion. But that was a hinge point in the late '70s and '80s. They created their own demise by throwing everybody else into recession.

Q: Did we have an Arabist specialist - not you; somebody else - at the embassy in Paris?

LUMSDEN: They did have a position for a third world either African or Arab specialist in the Political Section and apparently rotated. While I was there, it was an African specialist.

Q: My question is, were you in much contact with the Arab embassies or missions in Paris?

LUMSDEN: Yes, I was socially. I knew people. It was not specifically other than discuss energy with them - and, of course, the Saudi embassy doesn't have a clue as to what Riyadh is doing on energy policy.

Q: It was more just a social embassy?

LUMSDEN: Yes. We've been in the Middle East a long time. Of course, there were a whole lot of Lebanese refugees there. As the French called them, "Refugees des luxes." There were a lot of Lebanese businessmen. We had a number of Gulf Arabs who took apartments and things in Paris that we knew; by and large the Gulf Arabs couldn't function because of the language problem. But we did not have an Arabist as such other than myself at the embassy when I was there. They do from time to time have one in the Political Section. I think we had a couple of officers who had served in the Arab world. In the station, there was somebody who had really served in the Arab world who is a friend

of mine. If he were allowed to give stories on... He was really in.

Q: What was your impression of... There was always this grand policy, but were the Arab embassies having much effect in France at all?

LUMSDEN: The embassies themselves?

Q: I'm just wondering about was there an Arab clout?

LUMSDEN: The Arabs let themselves be flattered by the French knowing full well that it was flattery. That is basically what it was. The Arab embassies as such could always be received and fawned over just like the former colonial governments in Africa. They were given satin treatment. I don't think that the French for a moment had any illusions about having truly substantive discussions with the embassies in Paris. France worked that through the French embassy out in the field - just as unfortunately, depending upon who our ambassador is in France, so did they do with us. Pamela Harriman was a very interesting person to the French. She was received at all levels. I can guarantee you though that they were not discussing force levels in Bosnia with Pamela. That was done through Reservoir Road here in Washington, DC. They've seen these ambassadors come and go. Hartman was an exception. He was a professional. They liked that. But we keep putting people who are not professional diplomats in. Some of them are very good, but some of them aren't.

Q: They tend to often get at the social level.

LUMSDEN: Yes. I don't know, the current ambassador apparently does quite well. I just have no knowledge of that.

Q: How about Kuwait? One hears reports about the Kuwaitis being disliked by just about everybody in the Arab world as well as elsewhere. Did the Kuwaitis raise any... or were they pretty much just an English phenomenon?

LUMSDEN: The Kuwaitis can be the most insufferable people ever seen. They are a tiny little place. If the Arabs have chutzpah, the Kuwaitis have it. It's just unbelievable. The Kuwaitis are smart. They were millionaires before oil was ever found there. They are a trading, bargaining type of people. It's in their blood just like the people in Dubai. There are a couple of colonies in the Gulf that do this.

A great example recently. Here we are, Bill Richardson, Secretary of Energy, is going out. We've got to convince these countries to increase their oil production. Would you believe that the Kuwaitis are hardliners against increasing oil production? By god, we fought to defend their country and what the hell is going on out there? Well, you see what happens. Let the man come. Then you get in with the emir and after he sees the emir, he says, "You know, there are some good points there. I think maybe we ought to agree to increase production. We'll talk with the other members." In other words, don't give away your

card before you can really make something of it.

Q: What about events in Iran? While you were in Paris, was there concern about the fall of the Shah? Were we concerned about what was going to happen there?

LUMSDEN: Some of us were concerned, but the some of us who were concerned were so unimportant that it didn't make... Here you've got to hand it to the French and their ability to collect information and have a fingertip feeling for what's going on. They were extremely cognizant of which way things were going in Iran. They had Khomeini there. He had asylum and did whatever he wanted. We on the other hand had so attached ourselves to the Shah even when in 1972 he shafted us with constant oil price increases because of the Tripoli-Tehran business that when Irwin got out there he called him up on the carpet and told him this was too noble a resource and we should pay. But he was our man. To tell a succession of American presidents both republican and democratic that the Shah was a weak reed and could fall would be like trying to tell the Pope that the Immaculate Conception is a fraud. It just didn't sell at political levels here and wasn't going to happen. Quite to the contrary, all of the biggies in Washington would go to the Middle East and come back. When I came back from Kuwait, the conversation at every Georgetown cocktail party was the longevity of the House of Saud. "It's really going to collapse and then we'll be..." "How do you know?" "Oh, well, I've just been with this group with Secretary So and So to Tehran and the Shah told us." Well, the House of Saud, like it or not, is still there and the Shah is long gone. We couldn't see the forest for the trees.

Q: Do you think sometimes we oversell ourselves? If somebody becomes our friend, we seem to be unable to qualify it.

LUMSDEN: Yes, I agree.

Q: This happened in Vietnam and other places, Chiang Kai-shek.

LUMSDEN: I agree. But I also would ask you to entertain that when we finally decide that somebody is really our enemy, we're also unable to qualify it. Everything in the Balkans is Milosevic. I know he's a bastard, but he's not everything. You saw today that now they're starting to have to move against the KLA. But it's always just incessantly "Milosevic, Milosevic, Milosevic." Everything is Milosevic.

Q: Either a devil or an angel.

LUMSDEN: Everything is Saddam Hussein, Saddam Hussein, Saddam Hussein, Khomeini, Khomeini, Khomeini, Castro, Castro, Castro. We're not winning these rhetorical battles.

Q: In 1979, in the early fall, you end up-

LUMSDEN: I ended up back in Washington.

Q: Your realm of assignment was-

LUMSDEN: Right back into the Office of Arabian Peninsula Affairs as deputy director.

Q: Before that, you had been what?

LUMSDEN: I had been general economic policy officer. I was GLOPed and then I was unGLOPed.

Q: So, you were back, but a notch or two up.

LUMSDEN: Exactly. No longer desk officer. I am the deputy director.

Q: You were there from 1979 to when?

LUMSDEN: 1979 until 1982.

Q: Your area included what?

LUMSDEN: The Arabian Peninsula.

Q: What is the Arabian Peninsula?

LUMSDEN: The Arabian Peninsula would be the following countries: Saudi Arabia, Yemen (It was split then into North and South Yemen), the Sultanate of Oman, the United Arab Emirates, Qatar, Bahrain, and Kuwait, an area in which you find a very large percentage of the proven recoverable oil reserves of the world.

Q: Who was the head of this particular office?

LUMSDEN: The head of the office was John Countryman then. John is retired now and living somewhere in the area. I haven't seen him in a couple of years. He had had experience in Saudi Arabia, too.

Q: While you were back in Paris... You mentioned a number of times Jim Akins. Was he basically a Cassandra, saying, "The sky is going to fall. The sky is going to fall." and the sky did fall?

LUMSDEN: And nobody believed him.

Q: But beyond that. That is one thing.

LUMSDEN: The key on Cassandra is that nobody believed her.

Q: Was something coming out of our energy policy?

LUMSDEN: I think Jim made a very positive contribution by being irascible.

Q: He was a difficult guy.

LUMSDEN: A very difficult guy with an enormous ego. I have this secret joke. You know the famous thing where he told Secretary Kissinger, "If you don't let me in the room, you'll have my resignation." Kissinger could see in Jim when he looked at him... Jim Akins would look at Kissinger and say, "Mr. Secretary, not only are you short, but you're the second most intelligent person in this room." That is Jim Akins.

Q: Jim is very tall and the Secretary was not that tall.

LUMSDEN: Yes. He was a very abrasive person. But his sheer abrasiveness got people to pay some attention to this. I think he went over to the White House and was over there for a while. You really should get Jim to do one of these things.

Q: Warren Clark is going to be interviewing him. I've tried for 15 years. Finally, I guess he's ready.

LUMSDEN: Of course, Jim also had a problem in that he was extremely outspoken on Arab-Israeli matters and he took the Arab side of the argument. A lot of people said that he did this because it got him further with the Arabs, but I think he honestly felt that way. Jim is a pacifist really. He is a Quaker pacifist. But he is the most aggressive, abrasive darned pacifist you ever met. And he is one heck of a smart guy.

Q: We've had two very towering egos there. In other words, Tom Enders. Very interesting. Both economists.

LUMSDEN: Tom negotiated the energy agreement that formed the IEA. He was the number one wali on that. Oh, yes, he did quite well.

Q: Back to this. In November of 1979, the embassy was taken over in Tehran. Rather than be one of these temporary things (We had had several before.), all of a sudden, we realized we were into the long haul and it became a crisis that lasted for the rest of the Carter administration. What first was the reaction to the takeover in the Arab Peninsula and then what were we doing?

LUMSDEN: Well, particularly after the failed effort to rescue...

Q: This was the helicopter Desert One thing.

LUMSDEN: Yes. Our friends in the Gulf were saying, "Look, this is a bad situation. It's

going to last for a while. What you should really do is just keep cool and go away. I know you've got the hostages, but you can't do anything about it." They did not see us as truly willing after that event to devote the blood and treasure necessary to do anything. They probably were right. They probably also didn't want us to try again because if we did they as friends of ours were likely to reap the negative results of it.

We did, however, start at that time to lay the groundwork for a security presence in the Gulf which we now have. The Masirah Island negotiations with the Sultanate of Oman, which was wonderfully isolated. It wasn't really a Gulf country and could still do what it wanted to do. We started to get the Masirah Island landing fields and staging areas for support groups for the Gulf, mostly amphibious and naval. Diego Garcia was the island way down in the Indian Ocean that had all these roll-on, roll-off ships and things like that where we could start inching forward towards the Gulf. At least the military planners were able to see that this was not going to go away. Inside the Gulf, they were just very afraid of the Iranians, very afraid that we would do something that they would be connected to and that they would be sucked into the-

Q: Iraq was off to one side?

LUMSDEN: Iraq was at one side during this period. Out of this harrowing experience with Iran and the Iranian revolution came the not very famous but nevertheless the Iraq tilt policy, which further led to you know what.

Q: What about Oman? Why was it that we were able to make an agreement to sort of preposition the setup facilities for possible use in that area? Why the Omanis?

LUMSDEN: Different attitude. Different type of people than the Gulf Arabs. The Sultanate of Oman had been a rather small but nevertheless empire with colonies (Madagascar, Zanzibar). Oman had had diplomatic relations with the United States since about 1835 or '40.

Q: It was the Jackson administration.

LUMSDEN: Yes. The Omani delegation came to the United States.

Q: And we sent somebody on a ship who stopped off there.

LUMSDEN: That's right. We've had consular officers there since God knows when. Also, Oman had during the 1970s fought its own communist insurrection, the Dhofar Liberation Front in the Hadramut, southern, area of Oman. Aside from the British-supported effort in Malaysia and the Dohar Liberation activities won by the sitting government, I don't think there were any other of these so-called wars of national liberation that actually what we would call the "good guys" won. So they had that experience. They were fearful of Iran. Given their history as an independent sultanate, their experience with beating back their own insurgency, and their long trading tradition

relations with us dating back to the early 19th century, and their independence from the Gulf itself, being a separate kind of people, the Omanis had no hesitation whatsoever at this time of danger and the Iranian revolution moving forward with military cooperation and planning with us, the first of the countries down there to do it.

This occupied me a great deal during the first couple of years when I came back to Washington in 1979-1981, I worked a lot of these with a fellow named Gary Sick, who was in the Carter administration and the White House during the final hostage crisis release.

Other activities at that time included the other attempts at political-military efforts with the other states of the Gulf. I found that energy per se took proportionally much less of my time than did political-military stuff at this particular juncture. Energy, we had the second oil shock in 1979. Prices were way up. But the recession was setting in. The economy was not doing well. The time I did spend on it, you could see that demand was falling down, just as before when Jim Akins wrote his article, demand was going way up. Now it's coming down. You could see that this pressure on the oil itself is going to start to ease, but the neighborhood is so damned volatile that it could come back again and really we should have some better security arrangements with these countries. After we get to my tour in the UAE, we can talk about how those developed. This time really Oman and, of course, little tiny Bahrain, which was the home base of the commander of the Middle East forces such as they were (COMIDEASTFOR).

Q: And had been since the '40s.

LUMSDEN: Since the '40s. The British let Hailas come in right after World War II. He had the famous old white ship the Coronado there.

Q: Greenwich Bay, I think.

LUMSDEN: Exactly. Except in those two spots, we really did not have any military presence. The Saudis sort of winked at this. They were glad that we were there. Clearly, they could not do it in Saudi Arabia at that time.

Q: Had we started to build an airfield complex in Saudi Arabia? We built that big airport.

LUMSDEN: We had built airfields and things. They were not stationed with U.S. military personnel. There my have been a technical advisory group there for certain U.S. equipment that was bought pre-positioned and sort of permanently stationed.

Q: Were they being arranged? You need a certain type of runway to take airplanes. We were in pretty good shape.

LUMSDEN: We were in great shape.

Q: Had that started yet?

LUMSDEN: This stuff started, I would say, in the mid-'80s, that type of activity. We are talking about 1979-1981 now. We were pecking around the edges. We did have technical advisory groups because the Saudis had bought some American equipment and things. But we didn't have the big stuff until the Iraq-Iran war got started.

Q: What about in your area - I'm really thinking of the Gulf states, including Oman - what was happening? Were the Iranians sending mullahs or the equivalent thereof to stir the population up? There is a sizeable Iranian population in all those.

LUMSDEN: They didn't have to send mullahs. The mullahs from the area went to Tehran and were energized. Certain key areas in the Gulf have very large Iranian communities. You can go to parts of the souk in places like Bahrain and Dubai and suddenly you don't hear any Arabic. It's all Farsi. They've been there for a long, long time. Bahrain was part of the Persian Empire for many years. It has a population - these are Arabs - over 50% Shia. The Iranian segment of that is much, much less, probably 15%. The Qatif Oasis in the eastern province of Saudi Arabia is a majority Arab Shia, the worst possible place from the point of view of security of a Sunni monarchy trying to invite the Americans in to be a counterweight against the Shia mullah in Iran.

Q: It's where?

LUMSDEN: Right smack in the Ghawar oil field. Absolutely the wrong place. Of course, quite naturally, because the Iranian revolution was an Islamic revolution, not a national revolution, it was a revolution of Shiism and these people were naturally very influenced by it. People would visit Iran and bring back cassettes, tapes, and things with the Shia spiel on it and it started to become and has become a security problem for those countries.

Q: Was the takeover of the Great Mosque during your time?

LUMSDEN: I was still in Washington when this happened. The French lay great claim to having had special forces in re-taking the mosque. They didn't. This was another wonderful French trick. "Paris Match" had them all suited up and going. The French were led to believe that they were French special forces that regained the mosque. That was not the case. That, of course, was a great shock to Saudi Arabia. That would have been about 1981. I went to Abu Dhabi in '82 and had been working all around the fringes. The Iraq-Iran war was starting. The Great Mosque takeover was coming. That is when the Saudis started to say, "Oh, by golly gee, we've really got to now bite the bullet on this preparedness business and listen to some of these things the Americans have been talking about to us."

Q: You mentioned this before, but what was our impression of the stability of the Saudi ruling group?

LUMSDEN: The in-house Department view is that if the House of Saud is overthrown, it will be overthrown by another branch of the House of Saud. The House of Saud is very large. It contains people of various persuasions. The concern was that the new technological class wouldn't mesh properly with the home-educated Islamic class and that that could cause difficulties. It still could. But through it all - and here we are in the year 2000 - there sits the legitimate ruler of Saudi Arabia with no visible opposition forces arming themselves in the desert against him.

Q: In 1958-1960, I was in Dhahran. One of our things was that obviously the Saudi regime will collapse because this was the time of Nasser and all that. We were trying to figure out... It didn't look good, but we hoped they would hang on for a while.

LUMSDEN: What more can you say? All these people who visit the Shah and the Shah says, "Oh, Saudi Arabia is going to collapse..." Everybody says, "Saudi Arabia is going to collapse." Well, never say never, but it seems to have a staying power longer than some of its detractors.

Q: What about the burr under the saddle of the Peninsula, and that was the Democratic People's Republic of Yemen?

LUMSDEN: Oh, yes, the PDRY. That is a classic example of Cold War creation. The British left Aden and the Soviets were able to appeal to the proper tribal elements and establish the People's Democratic Republic of the Yemen, a communist people's republic that extended, I would say, for five or 10 blocks around Government House in Aden. That was basically it. But they had the southern half of Aden and these tribal elements could play off their grievances against the northerners in Sanaa, who in turn were sometimes a problem for the Saudis. So, never mind. The Saudis sometimes would assist the PDRY tribes, who they knew weren't a bunch of communists (They were as true Muslims as they were. You just had this Marxist ideology at the center of town.) in order to balance off things because of Saudi Arabia's concern. Yemen at that time was the most populous country in the Arabian Peninsula with over nine million people. Saudi Arabia only had 7.5 or so then. So, it was a communist country in name and in international representation and in all its pronouncements and in its support for the Dhofar Liberation Front fighting against the Omanis. Life in general in Aden did not change its ancient cadence very much during that period. As you can see now, it's Yemen again and the tribes who were part of PDRY still have the same animosities against the tribes who were in the north.

Yemen was important probably in one very... Expatriate labor, both manual labor and seconded military to other countries like the Dubai defense forces in Abu Dhabi and places like that. So they had influence-

Q: Were we concerned that these seconded Yemeni could cause problems or were they figured to be a solid mercenary group?

LUMSDEN: They were solid mercenaries, but no, it was not without concern as to what conceivably could happen in a place with a weak governmental structure like the United Arab Emirates and things. But they didn't have enough citizens to form their own military units.

Q: What about the United Arab Emirates at that time? How did we see things going and coalescing?

LUMSDEN: We had hoped that Bahrain and Qatar would join into one country with the Trucial sheikhdoms, but that did not work out because of voting privileges in Bahrain and a feeling of separate identity. Of course, if Bahrain did something, then Qatar, which is competitive with Bahrain, said, "Well, we're going to be a separate country, too," which left the seven other emirates after those two opted out of this solution to form the United Arab Emirates, which is a very loosely confederated group which has a lot of oil and as long as the commercial interests in Dubai, which is a really fast-moving modern city now of over a million people (You wouldn't believe you were in the Arabian Peninsula.) and the more conservative Abu Dhabi with the oil, as long as they stay on good relations as they are now, that place will hold together. They have moved a great deal forward on security arrangements with the United States.

Q: At that time, were we considering it to be a fragile area?

LUMSDEN: Very fragile. It was formed in 1971. It looked terribly exposed by the time the Iranian revolution came along with its Iranian colony up in Dubai. One of my main tasks as chief of mission there (Now we're skipping up to 1982-1986.) was to get better security arrangements moving forward. Again, when I got there, I read it with great interests what production levels were and I talked to the minister and things like that. But at that time, prices were going down.

Q: By this time, the Buraimi Oasis difficulty with Saudi Arabia had been solved.

LUMSDEN: The Buraimi Oasis problem with the United Arab Emirates and Oman was solved. The Buraimi problem with the United Arab Emirates and Saudi Arabia was still a problem, although there is a negotiation that was completed delineating the border there. This is where the oil company started tribal warfare over this Shaeb al-Zararra oil field. Were you there then?

Q: I was there 1958-1960. I would meet the British guy who was advising Abu Dhabi. Shakput was doing his thing. ARAMCO had their advisor from Saudi Arabia and the British wanted us to go and visit and we thought, "No way." We weren't going to get in the middle of this one.

LUMSDEN: The simple answer to your question is, the United Arab Emirates and Oman have solved. The United Arab Emirates and Saudi Arabia have solved, but it's all confidential and not released because Saudi Arabia and Oman have not solved. So what

you've got is a very definable point with no magnitude. It's called "Um al-Zummal." Everybody agrees that the borders of those countries meet at that point. However, the Saudis got concessions from the UAE that gives them a Danzig Corridor to the sea by Qatar and nobody asked the Qataris about this; they changed the border of their country without even inviting them... The Qataris know about it, but they're pretty ticked off. This won't be published until the whole thing is solved. Who knows when that will be? I may be saying something that is dated because I haven't been doing this in a... Saudi Arabia still is putting pressure on Oman... Their negotiating position starts out with something called the Fuad Hamzabay Line, which is way to the east into the Jebel Akhtar. The Saudis say, "Traditionally, these tribes belong to us." The Sultan of Oman is never going to agree to that. So, they don't get together and talk about this third leg of the tripod. Until you get that in, all the borders are indefinite except the UAE-Oman thing. That is a functioning part. UAE-Saudi-Oman...

Q: When you were on the Peninsula, was there fighting in the Jebel Akhtar of Omanis versus rebels?

LUMSDEN: Yes. When I was in Kuwait in the 1969-1972 period, there was a lot of fighting in the Jebel Akhtar between the Dhofar Liberation Front and Omanis. We're up into the 1979-1980 period. That had not stopped but quieted down an awful lot as the Yemen support for the thing was changing, things in the Soviet Union were starting to change, all this was looking different. But they had a real insurgency going there back in the late '70s and early '80s. It was honest to goodness stuff.

Q: Were there any problems on Bahrain at that time?

LUMSDEN: No. They're lovely. They were so nice and so hospitable at all times. They're tiny. Their problem is that they are totally undemocratic. It's a Sunni minority regime that can't understand why these Shia aren't more satisfied. Look at all we do for them. They want more of a direct say in what's going on. But they have been hosts of MIDEASTFOR.

Q: At this time, there was no particular problem there.

LUMSDEN: None.

Q: How about Kuwait?

LUMSDEN: Well, Kuwait's problems were at that time with Iraq. Kuwait did not really view the Iranian revolution in 1979 as all that bad because it did put a lot of pressure on Iraq that continued to insist that Kuwait was part of Iraq and that the border between them was not really a border, that that had been something that had separated people who reported to the Ottoman Wali at the time that they were there. There is a very good argument that Kuwait is an independent country and there is another counterargument why it isn't. This goes way back to Gertrude Bell, Percy Cox and the line in the sand, old

Colonel Shakespeare, and Colonel Dixon, and the others. They go into this at great length. The trading off at the time of the creation of Iraq by the British put in this line. The line was agreed between Ottoman Turkey and Great Britain just before the outbreak of World War I. It was never ratified. After the war, the Brits said, "Just tell them that that line is still there." Of course, there was no country of Iraq at all at the time that this was done. It's very... We could talk two hours about it. Anyway, the point is that the Kuwaitis are afraid of the Iraqis. As irascible as the Kuwaitis are, they do - as we now know - have legitimate fears about Iraq.

Q: Was there concern after '79... It was not only the takeover of our embassy in Tehran, but you had the burning of our embassy in Islamabad and also the Soviet invasion of Afghanistan and maps were showing big arrows going through some of those inhospitable countries that somehow or another the Soviets were going to penetrate to the Persian Gulf. Was that of concern to you all? Was that a factor or were the people that you were dealing with saying that these Russians were far away?

LUMSDEN: In '79-'81, I was the deputy director of Arabian Peninsula Affairs, totally absorbed on the side with energy, getting our military presence forward in an Iran-Gulf-Iraq type context at my level. The Soviet invasion of Afghanistan was something that was discussed at staff meetings, but concerning which no tasking whatsoever that I can remember came down.

Q: One last question. You were there on January 20, 1981 when the Reagan administration took over. When the Reagan administration took over, in the American Republics (ARA), there was blood in the corridors. It was really almost a hostile takeover. But in others it didn't seem to make much difference. Did you have a feeling that policy was changing and new boys were taking over?

LUMSDEN: You had a feeling that things were indeed changing. We in NEA and particularly NEA/ARP felt no discomfort whatsoever. I felt personally very sorry for friends like Gary Sick, who stood there waiting, hoping against hope that the hostages would get released before President Reagan was President Reagan. But that did not happen. The feeling probably was that, "Well, we're on a new wicket now. We've had our friends in the Gulf horrified by our failure to rescue the hostages. We've got John Wayne (I'm joking.) coming in as President. Well, our Arab friends tend to respect this type of person. It looks like maybe we're going to be maybe not so apologetic for use of power and strength now." It was no problem.

Q: One last question, but we won't deal with it now. How did our relations with Israel intrude on this whole thing? We'll do that next time.

LUMSDEN: We've now carried ourselves through the ARP thing until the end of 1981/beginning of 1982. At the beginning of '82 in ARP, we had a telephone call to my bouncy secretary one day and it said, "Is Mr. Lumsden there? The President wishes to speak with him." We got the president of Mobil and the president of Aramco. I said, "The

president of what?" He said, "It's the White House. It's the President of the United States." Reagan was calling me to ask me to be ambassador in the United Arab Emirates.

On Israel, I do want to talk about that. This is very important because Israel serves as a model of where foreign policy is going, not necessarily to the benefit of the Foreign Service. But Israel is not the only country. We've got Pakistan, India, Greece, and everybody else.

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Q: Today is April 6, 2000. Quincey, your last job was what?

LUMSDEN: We had gotten to the point where I had gotten the nod from above to be ambassador.

Q: I want to go back to ask about your other job in Near East.

LUMSDEN: We're at the end of 1981/beginning of 1982. I was still in Arabian Peninsula Affairs in the Department.

Q: We haven't talked about as you perceived it and were affected by it the role of Israel.

LUMSDEN: I want to discuss this. I was hoping to discuss this in the context of after we had finished in the deconstruction of formal diplomacy using several examples like Israel, Cuba, Pakistan, India, and Libya. We can do that now if you wish and then go on to the-

Q: Rather than talk in big terms, can you talk about during this early '80s period, before you move on to be ambassador dealing with Arabian Peninsula Affairs, the Israeli lobby in the United States. Did you almost have to clear your toilet paper with them before you could get anything done?

LUMSDEN: You didn't almost have to clear your toilet paper. You had to have your toilet paper cleared by those who were in contact with AIPAC and the Council of presidents of Jewish organizations. You simply could not risk coming out with a policy that surprised, or worse still, surprised and annoyed those groups. The congressional reaction would overwhelm you, and you as a little bureaucrat would be scrunched flat. There is no question about that. It was effective. It was the way things were turning to work out of classic diplomacy toward the situations which we have greatly expanded now. This is not just an Israel thing, but we're talking about the Israeli connection.

Examples. This would have been in 1980 or 1981 that the country to which I was to become ambassador, long before I knew that that was going to happen, sent a group headed by Sheikh Mohammad bin Zayid, one of the many sons of Sheikh Zayid, who was obviously a fast rising officer in the UAE armed forces, to the United States to feel out the possibility of buying some military aircraft. We could scarcely get him an

appointment with anybody to discuss realistically such a request. There were valid arguments about the rudimentary state, the lack of manpower in the country concerned, but there was more than that. There was, "Oh, this is an Arab country. It's in the Arabian Peninsula. It has oil. Those countries with oil have an undue influence potentially on policy in Washington that could compete with the real political clout that the friends of Israel have in Washington." Saudi Arabia, of course, was the number one country possibly capable of turning Washington's attention on doing things in the strategic area that might not be looked upon with favor by friends of Israel. Another example, perhaps humorous, was the Hawk missile sale to Bahrain. Gary Sick and I worked on this one. It's a humorous point, but I think it is valid. When I first encountered this problem, working with Gary Sick way back in the early 1970s (1973/1974), when I was desk officer (This was a previous incarnation.), literally the last day before I was GLOPed to Paris (lucky me), Gary and I finally got the cable off which told Bahrain that we were terribly sorry but that we were not in a position to approve the sale to them of about 12 fundamental Hawk anti-aircraft missiles. These missiles were to be used in the independence day parade, the national day parade, in Manama, Bahrain. That was their purpose. The emir could sit there and these things would bounce by the reviewing stand. But they were military, they were Hawk missiles, who knows what might happen to them? They could get in the hands of somebody who was an Arab who couldn't stand Israel and we weren't about to risk that. That was 1974 or 1975.

Off I went to Paris. I came back as deputy director in 1979 about six years later. Literally the first week during my reincarnation in NEA/ARP, I was able to sign off on a cable that told the emir of Bahrain that, yes, indeed, we would let him have 12 Hawk missiles for the next parade. Over six years of this and the energy crises and all the problems had moved our policy from rejecting the six missiles for the wonderfully benign American friend who hosted the U.S. Navy to, "Yes, you can parade these in front of you in the national day parade." That is the power of oil. I don't even know whether Pol-Mil even would bother to go to AIPAC with something like this. If it were the Saudis, they would. They would just out of hand say, "We're not even taking that on. They won't like this." That is the power. It was to those of us who felt that the best interests of the United States, particularly given the looming and then manifest energy difficulties we were having, would have been toward a more flexible relationship on strategic matters with the friendly countries of the Gulf. They're not democratic, not pluralistic, but they are friends economically and strategically of the United States. It would have been nicer if the power structure in Washington had recognized the need to do this before we got to the point where we are today where not only does Sheikh Mohammad bin Zayid have 80 F-16s on the order books of Lockheed Martin, but they are 80 F-16s with the latest electronic countermeasure equipment on them. Lockheed has posted a $2 billion performance bond for a sale that will probably surpass $7 billion. This keeps the corporation's assembly line running and will be a turn for the better in what's been a very bad year for them, although I noticed in the paper today that they've gotten themselves messed up with some Chinese Rocket Research Institute. That will roil a lot of people, but fortunately that is not my bailiwick. But things have changed. The reason they have changed is not because of diplomacy and not because of the Foreign Service. It's the grinding of the domestic

political machine in this country on policy as an adjunct of domestic affairs, particularly economic affairs. There are many examples of this. Libya right now. We are beginning to be nice to Libya. Why are we beginning to be nice to Libya and what do professional diplomats have to do with our being nice to Libya? I will submit not knowing that two professional diplomats have had a great deal to do with our being nice to Libya. The only thing is that they are no longer professional diplomats. They're retired like I am. They are Bob Pelletreau and Hank Cohen. They have used the leverage provided by people like Nelson Mandela and Bandar bin Sultan, who is the Saudi Arabian ambassador in Washington, to convince the administration that economically, particularly for U.S. business and for other reasons of reducing tensions with our old allies in Europe, the time has come to relax the sanctions on Libya. My point is that once people with the skills of Hank and Bob get into the private sector, they can utilize their diplomatic experience to get some things done which probably they would not be able to do if they were sitting in that chair in NEA.

Q: We're coming up to when now? You've gotten your telephone call.

LUMSDEN: I've gotten my telephone call. I was nominated.

Q: Had you known this was in the offing?

LUMSDEN: I had first known it was in the offing actually... Joe Twinam, who was the deputy assistant secretary then, a great friend of mine and a great guy... I think earlier on I mentioned his hilarious confirmation hearing to be ambassador to Bahrain.

Q: Tell it just in case.

LUMSDEN: This would be about 1979. He was nominated to be ambassador to Bahrain, this small little country that we have the Navy based in and finally decided we could let them have 12 Hawk missiles. His confirmation was completely routine, with a number of senators there. Joe is a southerner and when things go bad he tends to say, "Well, it's not bad, but it ain't Chancellorsville." He was going through his hearings and everything was fine. Just as they were about to close the hearings, another senator arrived coming in through the back. He obviously wanted to get his say so into the record. A staff aide handed him some papers. Clearly, the senator had not really prepared much of anything for this. The senator said, "Mr. Twinam, I see that you're going to be our ambassador to Bahrain. Fine. I understand the U.S. Navy has a base in Bahrain." "Yes, Senator, it does." "But Mr. Twinam, I also see here that you can speak the Arabic language. Is that true, Mr. Twinam?" Joe said, "Yes, Senator, I've graduated from the Foreign Service Institute's language school in Beirut and I have a 3+/4 in modern Arabic." He said, "Oh, that's good. Now, tell me, if you speak Arabic, can an Arab understand you?" He said, "Yes, Senator, he can, just so long as he grew up in eastern Tennessee." The session broke up hilariously and he was confirmed. That is what people like to hear on Capitol Hill. He just won them over. I found out from Joe, who made up the short list, that I was the bureau's preferred candidate to be ambassador to the UAE because this was one of those things that they

brokered with the White House. There were certain political appointees coming in and they wanted the UAE because of its manifold problems plus the fact that it was not a frontline country to be in professional Foreign Service hands - not that people like Governor John West weren't doing a superb job.

Q: He was ambassador to Saudi Arabia.

LUMSDEN: Former governor of South Carolina, who by the way is now marching to get the flag removed from the capitol down there. Then Senator Warner had a constituent who decided that he would make a good ambassador to the UAE.

The UAE people knew me and I had entertained their delegations for several years as this relationship was being built up. So, the UAE ambassador said, "Quincey, I don't know how this is going to work out, but we want you to know that you're our preferred candidate and we're considering the other." Not to name names, it turns out that with the other they found a conflict of interest here in Washington. The UAE was never called upon to play its non-agrement threat on it. This took from the end of January to the beginning of June for all this to work its way through. I had my hearings in June and left shortly thereafter for the UAE. To this day, to the credit of the Foreign Service, that post rose in importance and has been reserved for Foreign Service officers. It's very good. The chain there started with Mike Sterner, Fran Dickman, Bill Wolle, myself, David Mack, Bill Rugh, and now Ted Kattouf has been a straight Foreign Service professional. That's good. This type of chain in a country that is growing in affluence and is a nice place to live and is getting more important with $8 billion Lockheed sales and things like that is commendable. I wish I could say that it were the rule rather than the exception. You will find in most places as attractive as this that continuity is beginning to fray.

I arrived in the summer of 1982.

Q: You were there from when to when?

LUMSDEN: I was there from midsummer 1982 through late winter 1986. Actually, by the time I left in '86, almost four years, I was for about the last six months there the longest serving ambassador in any Arab country. That is how rapidly we were changing them around. I looked forward to getting back into the oil fields and really getting with my old love, the producer-consumer relations in energy production levels, refinery margins, OPEC meetings, etc.

It didn't work out that way. Fortunately, I had quite a competent economic officer who could get me the stuff to clear. I had precious little time during those three and a half years to spend actually doing oil stuff. My time was taken up by political-military affairs, strategic discussions, and of course security intelligence work, which grew as the Iraq-Iran war dragged on and we instituted the famous or now infamous Iraq tilt. That was a very natural policy choice given the way things had gone with Iran and the fear that Iran would break through under the Arab side of the Gulf and that they would have a

military presence on our territory to match their continuing growth of propaganda with all of the Shiite minorities, particularly around the Qatif Oasis and in Bahrain, which is the center of the largest oil field in the world. Saudi Arabia is a country which is about 94% Sunni Muslim. The remaining six percent are sitting right on top of the Dahar oil field and they're Shia. This is a big internal security problem. For Saudi Arabia, it's of course one of the reasons that the FBI can complain that the Saudi police have not been that cooperative in investigating the Khobar Towers bombing incident because of this perception that we will go and do something that will leave Saudi Arabia to face the internal turmoil that results from the Americans having done this. I don't think there is any question that people know how that thing worked its way out. It's just a question now that you know, what are you going to do about it and who is going to do it? That is going to be a continuing difficulty.

My particular problems, speaking personally, began... We got there in '82. The first year there was really quite wonderful. I even got to spend a little bit of time on oil.

Q: Could you describe a bit the government and the population?

LUMSDEN: At this period, the government of the UAE is not far from what the United States government was under the Articles of the Confederation. Less democratic in each one of its component parts, where you have traditional sheikhly rule and Bedouin egalitarianism. I could go up to talk to the ruler. However, the ruler is the ruler. It is seven entirely separate emirates which to this day retain control over their natural resources and their defense and financial policies. Although a lot of them take money from Abu Dhabi, they dispose of it pretty much as they wish. Those sheikhdoms are the ones that used to be called the Trucial Sheikhdoms or the Trucial Coast and before that the Pirate Coast. The Pirate Coast because this area first came to the attention of the West during the late 17th and early 18th centuries when the imperial power of Great Britain was extending itself to the jewel in the Crown, India.

The British East India Company started particularly in the 18th century building up a tremendously profitable trade between the home country and the newly established Raj in India. However, there were some bothersome pirates who raided the ships of the British East India Company, which caused the Royal Navy to make a succession of raids for suppression of the piracy. This drew them gradually into the Gulf and all the way up to Kuwait. As time evolved, Great Britain took over the defense and foreign policy roles of those countries particularly as the 19th century rolled on and started to get towards the Industrial Revolution, World War I, and all that. That is how they came in there. Not all of these seven constituent emirates were pirate emirates. The pirate emirates were the Callosum tribe. They were the great pirates. They were mostly in Ras al-Khaimah, in Sharjah, in Ajman and Umm al-Qaiwain. Dubai and Abu Dhabi were not really pirate sheikhdoms. They were peopled by tribes called the Bani Yas who were more land oriented Bedouin tribes. Then over on the Indian Ocean side, you had one last emirate, Fujairah, which they call the "Shockdayeen," which is a mixture of Bedouin Arab, Omani, and a group of indigenous people in the mountains of that part of the Arabian

Peninsula... Actually, these people really aren't Arabs. They are historically something else. They all relate from the mountains of northern Hormuz sweeping right down through to highlands through the Hadramut there. They speak very funny dialects. They have their own little language which really isn't Arabic. I forget what they call it now - "Jahar" or something like that. They form a lot of the population of this final emirate, Fujairah. In Oman and in Yemen, they're more significant in their breakdown in that group. So you've got seven: Abu Dhabi, Dubai, Sharjah, Umm al-Qaiwain, Ajman, Ras al-Khaimah, and Fujairah. The ambassador's job really - if he wants to know what's going on because these are very loosely confederated states - is to get in his darn car and go and visit each one of those places at least once a month to find out what's going on. I spent a lot of time in the car. I did a lot of work in the car.

Humorous incident. In the car one day coming back from Fujairah, having visited Sheikh Hamid bin Mohammad Asharkdi, who was a very well educated (at Exeter or someplace like that in Great Britain) man whose father used to bury his enemies in the ground and put honey on their head and let the ants eat them, we decided (It was a wonderful day) instead of going back on the main road to go through the Masundum Peninsula to see the mountains in the spring and the flowers coming up, which was a great idea. We got in the car. There was one section of this secondary road that no one ever bothered with that runs through Omani territory in the north there, which had never been a problem before, except that day, it was a problem because there was a military post up there. The Omanis were having some sort of military maneuvers on it. It was not my country. I had no right to go into Oman. So we had to take the wadi route around for about 25 kilometers to catch the road when it was back in the United Arab Emirates.

Q: These were paved roads.

LUMSDEN: These were paved up to the point where I had to take the wadi road and then it became track and track down to stones. At one point, the car got stuck in those stones. The driver and I were there. I said, "Well, we've got to get out of here somehow." I was dressed in my nice French double breasted suit and my Gucci loafers with the tassels on them. We got out and started to grunt with the car. Of course, I left the door open. Our audience at that point was about six goats. As I was pushing the car, cursing my suggestion that we do this, I turned and noticed that one of the goats had gotten into the back of the car and was munching my position papers. So, that was an ambassadorial experience in the Masundum Peninsula. The government of the UAE is the supreme council of all the seven rulers. That is the real power over the whole area. But each one of those rulers remains pretty much sovereign in his own territory. Then there is a government which functions depending upon which ministry you are talking about. The Ministry of Agriculture and Fishery does quite well in administering programs throughout the seven emirates. The Ministry of Defense does not. There is still too much residual uncertainty about relations between these various families that have had occasions to have at each other over the years.

Q: I was there in the 1950s when I was in Dhahran as the vice consul. We covered that

whole area. As I recall, I don't think there was a ruler there who had gotten his position by not having killed an uncle or something like that - or a father.

LUMSDEN: Your point is very well taken. There is a bloody history of transition of power. We've had it just as recently as... Before I got there, they had one in Sharjah where there was an attempt to overthrow the ruler. Then he was overthrown. He was killed. The Brits threw him out. They brought another fellow in. Then subsequent to that, there was an attempted coup against him. That was as recently as after I left, 1987. It did not succeed. But the point is there. These very traditional societies have not moved forward politically in the face of tremendous wealth and economic development. I remain concerned about the transition in Abu Dhabi, which is the lynchpin of the whole thing. The time is coming up because Sheikh Zayid is getting very elderly. He probably would have liked to relinquish power to his eldest son before now if it had not been for his uncertainty at what the other sons might do when that happened. Sooner or later, it's got to be faced. But I stray. The foreign ministry has sort of a 50/50 record. Rashid Abdullah from Ajman is the foreign minister and he is well schooled and well known in international circles and presents himself well as a representative of the country, as do the ambassadors of the country in various leading capitals like Washington, London, Paris, etc. However, when it gets to really working out positions on gutsy issues such as the UAE's dispute over the free islands of the lower Gulf which were invaded by Iran in 1971/1972 then because there is a difference of approach between various emirates on how to treat this problem, then you get back into what happens in the United States, back into local politics as to how to treat it. That is an unresolved issue, one which I'm sure the UAE will at some point wish to take up with the evolving new more liberal government in Iran. I don't see anything happening very soon. The official UAE position is that they wish to submit it to binding international arbitration at the international court in the Hague. The Iranian position is, "Oh, no, no, no, no, no. This is simply a bilateral issue that we can solve between us." On that basis, if you just go eyeball to eyeball, hand to hand with the Iranians, they've got all the power and the UAE has zero. It won't work out satisfactorily. The second brother to Sheikh Mohammad bin Zayid, who I spoke about before, Hamdan bin Zayid, is the "number two" person in the foreign ministry. As a matter of fact, the foreign minister wouldn't do anything that might touch upon one of these politically sensitive issues without clearing it with number two first because number two is the son of Sheikh Zayid. As you go up the coast, the positions vary on this. Abu Dhabi's position is - and legally it's backed up - that traditionally these have been UAE territory because the Callosum tribes were maritime tribes and they inhabited Abu Musa, the main island, and the Greater Tunbs. The Lesser Tunbs are not much more than a bunch of rocks. Sharjah, however, does not want the issue pressed in any way that might conceivably turn out disadvantageous to its continued operation with shared oil concession with the Iranians. That is a Callosum emirate. Rasa Hein, which is another Callosum emirate, which claims the Two Tunbs, resisted the Iranian takeover. Actually, a couple of border guards were killed in this. They want it all back and believe that an international UN expeditionary force should go in there and drive the Iranians off the island, which is a total non-starter, but that's their hardened position on it. So this issue, which is one of the chief foreign policy things facing the UAE - that and its OPEC quota

fulfillment - is not likely to see much change in the immediate future. But it demonstrates how on local issues the foreign ministry has to be local in its approach. On major Arab issues or world issues, then the foreign ministry can speak for all.

Q: How did you deal with the foreign ministry?

LUMSDEN: Hamdan bin Zayid, the young man that I mentioned was number two, was not there when I was there. He came back and has been put in this position following 1986. I dealt in the foreign ministry with Rashid Abdullah, who was the foreign minister. The three islands issue was pretty quiescent during my period there. It became very active when I was working on the natural gas pipeline project. I probably knew more of the background than the fellow in the foreign ministry who was working on it, so I helped him draft some letters to the Department of State stating the UAE's position. He said, "Quincey, this has your fingerprints all over it." But it was helpful. It clarified the various positions that were already in stone. I worked with the foreign minister. As I mentioned before, most of our business dealt with defense, political-military affairs, and security and terrorism. We had a number of incidents beginning in the latter part of 1982 subsequent to Israel's invasion of Lebanon.

The security situation started to get bad and the government there was starting to get pressured by organizations like Abu Nidal, who basically wanted money from them. Then the Iraq-Iran war kept dragging on and getting worse. We had the Israeli invasion of Lebanon putting pressure on and a buildup during '83 as the Iraq-Iran war joined the Israeli occupation of Lebanon. When it got to the point that it looked as though the Iraqi initial advantage in the war had been lost and the Iranians with their teenagers sacrificing themselves as martyrs with plastic keys around their necks were going to break through what's called the Howaiza marshes in southern Iraq, we began an active Iraq support program. We were in the unusual position of assisting Iraq in certain ways.

Q: I have read, for example, that there were photographs exchanged about positions and all that. This has been in the press.

LUMSDEN: Okay. I was one of the mailmen and suddenly found myself being invited to the Iraqi embassy all the time and we were just great chums. Well, the policy, of course, ended up not working. Some people wished to charge those of the people that cooked it up - not the ambassador for simply carrying out instructions - as having engaged in criminal activity. It's not criminal activity. It's a policy that didn't work.

Q: One can debate a little on this. A full Iranian victory might not have been a very salutary thing.

LUMSDEN: A full Iranian victory would have resulted in exactly the situation that we did not want so much that we ended up assisting the Kuwaitis to free their country from Saddam Hussein. A single country would have had a dominant military position in the Gulf and a resultant ability of picking up the telephone and telling each and every country

in the Gulf how much oil they were going to produce. That's the rub of all this. When a few years later we saw Saddam Hussein had built up and had supposedly 56 divisions - and not all republican guards - but the same adage held true. As you can see from the steaming around now about high oil prices, this is a buzz button issue here in the United States.

Q: How did you feel about this cooperation with Iraq at the time? Was Iran seen as the main threat?

LUMSDEN: Yes. This is contextual. You have to go back now to 1983. Iran was seen as the threat. The rhetoric of the revolution, the way the hostage crisis was played out, then it really started to get nasty in December '83 when Iranian agents, Shia martyrs, started blowing up American embassies as in Kuwait. It happened, I think, in December 1983. Luckily, the martyr, when he broke through the gates, instead of turning right and hitting the ambassador's office and the political and economic officer, turned left because there were two buildings and hit the Administrative Section. By the way, all of the embassy's alcoholic beverage storage went up in flames. I believe two people died as a result of that, the martyr himself and some unlucky grounds worker. If he had turned the other way, it would have been a real disaster.

I will now embark on an interesting story. 1983. The Christmas-New Year's season arrived. The intelligence community in Washington, through Mossad, the Israeli intelligence service, and their good infiltration into Lebanon immediately following the Kuwait embassy bombing, noted the first rising of Shia radicalism because the Shias had been fairly lethargic up to the point. Under the aegis of the Iranian ambassador in Damascus, a hardliner named Hashi Mupoor, the southern Lebanese Shia were being organized away from the Islamic Jihad group to form a new pure Shia group which is known as Hezbollah. This would have been in '83. We know how that has developed. They picked up that the Kuwait embassy bombing was step one. Step two was to be the assassination of a major American figure in the Gulf, an ambassador. Not only that, they were going to get a French ambassador, too. France for obvious reasons of its own interest was very happy that the Iraq tilt was being worked out. France had flown Khomeini back to Tehran and didn't get anything for it. Plus, they had a lot of interest in Iraq and still do. I didn't know anything. I find that armored limousines are being flown from Washington to Abu Dhabi (I didn't have an armored car) and that special American bodyguard details from the State Department are coming to live with us because the intelligence said that the best target was Abu Dhabi and the French and American ambassadors there were the targets. They knew the weapons that they had, the serial numbers, the silencers... The whole smear came through the intelligence community. So, wow! Here we are. Christmastime. My kids are visiting from college. The American security moves in. The halftrack gets parked in the driveway. A platoon of UAE infantry digs in around the residence. My ability to move about the country becomes very, very inhibited. The foreign minister is terribly worried. The Kuwaiti ambassador picks this up because it was our embassy in his country. He is terribly worried. So, everybody is sweating. We get the kids out as quickly as we can. Helen and I have to go out to be

trained on how to use an Uzi and a .38 caliber, the whole smear. We have that in our room and we have U.S. security agents sleeping outside our door. It's not so much fun with these kind of things.

Q: Was the French ambassador-

LUMSDEN: He got the same thing. They made him wear a bulletproof vest everywhere and he looked ridiculous. I had it on once and said, "I just can't do this." They all packed around me when we went in a building for a meeting. This is a bittersweet story. Nothing happened. New Year came. New Year went. We were now into January 1984. All this tension was still there. About the 10th of January, the signal came through and they left. The local government knew the group was there. However, they hadn't done anything. The UAE government was very afraid to apprehend all these people that had the Iranians' backing when they hadn't done anything or demonstrated any malicious intent. But the security wall apparently convinced whoever was orchestrating this thing - probably Hashi Mupoor - that it wasn't such a soft target after all.

What happened? On the 19th of January, the president of the American University in Beirut, Malcolm Kerr, was assassinated. The bullet markings jived with this group. We became a hardened target. They said, "We've got to get a prominent American who's gettable." They got Malcolm Kerr, who I had seen in Abu Dhabi fundraising for the American University of Beirut about three months before.

Now, it gets really bittersweet. Malcolm Kerr I had known since he was 13 years old. He was a class behind me at Deerfield Academy and was a class behind me at Princeton University. Coming to grips with this took me quite some time. I have only recently begun to speak about this situation. Through roommates and things I have just tried to figure out when, if ever, I should talk to his wife and son about this particular incident. Maybe somebody has told them.

As an extra added postscript, the son involved is a young man named Steve Kerr. Steve was substitute point guard for the Chicago Bulls-Michael Jordan dynasty. You may have seen him on television. I think he's out of the League now, but that is just apropos of nothing except my interest in sports. But my story is probably not atypical. I bet there are many Foreign Service officers who have served in hazardous duty positions that find they are left after they've retired with these kinds of bittersweet memories about friends that were in one way or another enmeshed in the type of activities in which they were. I haven't told many people this story. Actually, it's sort of a catharsis for me to get rid of some of this stuff.

Q: How did this security affect your working?

LUMSDEN: I think it affected it a lot. I was not able to do my Hail Fellow, well met thing with everybody. I was able to have the essential contacts needed to conduct the work of the Department of State, to carry out my instructions, and to make essential

reports on how the power structure was working. I was not getting deep down. Unfortunately, this security situation lasted from December 1983 all the way through the end of 1984 for two other subsequent things. These are sort of the highpoints of what I was doing there. The Shia bombing of Kuwait and the assassination attempt at the end of January/beginning of January 1984 were apparently a closed chapter. However, as they were considering removing the tight security - and remember, the Iraq-Iran war is still going on through all this - the United Arab Emirates' ambassador to France was assassinated. The vindication claim came from the Abu Nidal group. It said, "This will pay you back for letting the Americans have that influence in Abu Dhabi." This was when I was negotiating agreements to permit the U.S. Navy to refuel along the coast there so they didn't have to go all the way to Diego Garcia or back up to Bahrain to the smaller ships to get refueled for dry-docking in repair facilities, and for leave and recreation for the crew. Small steps considering what came thereafter. This had a very profound effect on the UAE. They said, "Look, we're the nice guys. Why would anybody assassinate our ambassador?" Of course, it made them very leery. They didn't want to incur so much wrath. But this was not the Iranians. This was Abu Nidal. Of course, what he wanted was money. They were disturbed by the French reaction to this incident. I can remember being lectured by the foreign minister on this, that the French did not seem to care as long as it's just an Arab killing an Arab. They said, "Well, that's your business. You take care of that." They're not willing to pursue this like we are members of the international diplomatic community. That is one of those kind of imperious European reactions to people which you still find who don't read it right. We, for all of our faults and for all of our naiveté, have an openness and a "let's get to know each other" kind of attitude that people in the third world I find appreciate very much. They may try to accuse us of being post-colonial. In some ways, maybe we are. But in personal relationships, I think we have one up on some of the European traditionalists here as far as making friendships is concerned. But in any event, that caused the security to be maintained throughout the summer. The negotiations did move forward. We did get the refueling. We did get the leave and recreation. We did get the repairs both in Dubai and out of Fujairah.

Q: Did you have to have separate agreements with each?

LUMSDEN: In principle, yes. I had an agreement with the government of the United Arab Emirates in Abu Dhabi. But I didn't have that agreement without a lot of coffee drinking and a lot of eating meals with the rulers of the various places where this was to happen. Until they gave their nod and said "We want to do this..." Of course, one of the reasons Dubai wanted to do this was, they wanted to charge us for repairs to the ships, which was fine with us. But that is the way you had to operate. You didn't do it formally at the government level first without making sure that all of the local ducks were in a row. That was good. We made our first step towards getting the U.S. some sort of logistic support in the lower Gulf. So, the summer wore on.

Then a real doozy hit. These were the things that preoccupied me tremendously. In the second week in August 1984, I decided that, "It's looking pretty good now." The security people were still there, but they were getting more relaxed and getting ready to phase out.

I said, “Look, I’m going to take my family and we’re going to meet the kids. We’re going to Greece.” My wife was a naturalized American citizen, Greek-born, and has family there. So, we took a two week vacation and went off to a little town called Khamanavorla and then out to the northern Sporades islands of Skopelos, Skiathos, and Alonissos. We got back from the island. My wife’s parents said, “They’ve been trying to get you from the State Department.” I said, “Oh, God, I’ve only been gone 72 hours. I’m on my vacation.” So, I called them. It was Dick Murphy. He said, “We’ve got a real problem here with this hijacking.” “Hijacking? What hijacking?” “You’re probably not with this, Quincey. Let me explain to you. An Indian Airlines plane (a domestic flight) en route from Tamilnadu down in the southeast to Delhi has been hijacked. The plane landed in Pakistan where it is alleged that the hijackers received logistic support and more arms but were told to take off because they didn’t want to start a war with India. It’s been flying around. Forty-eight hours ago, almost out of fuel, it landed in Dubai. There it sits with the hijackers on board. We have been negotiating.” I said, “Okay, I’m ready to go back. How are the negotiations going?” He said, “They’re all screwed up.” This happened at the very time that Republican National Convention was taking place in Texas and President Reagan was being nominated for his second term. So, all of the biggies were in Texas for the balloons, the naming of the President for his second term. The hijack took place. The reason for the hijack was the intrusion of Indira Gandhi’s government into the Golden Temple at Amritsar, the Sikh shrine, and the hijackers were Sikhs. During that military intervention into Sikh resisters, a man who was the high priest of the Sikhs named (Jarnail Singh) Bhindranwale, had been killed. This was the payback. The hijackers were threatening to start killing Hindus and start throwing them out of the plane.

As incredulous as this may sound, we got involved because as the five or seven hijackers, all young men between their late teens and mid-20s and tireder and tireder, they said, “All right, we will release. Our point has been made. Just so long as the conditions for our release are to go to the United States of America, where we know that Bhindranwale still lives with the large Sikh community located outside of Indio, California, where they raise fruits and vegetables.” There is a huge Sikh community there. There are about 15-25,000 Sikhs that live in this valley in California. They’re very wealthy and very prosperous, growing pears, tomatoes, cabbages, and everything else. By God. The State Department during the Republican National Convention - and I feel sorry for Kenneth Dam, who was left in charge of the State Department - finally said, “Okay, to prevent loss of life, we will permit the hijackers to come to the United States just so long as they realize that the instant they set foot in this country they are subject to full U.S. law and we have laws about this sort of thing.” Well, of course, the Sikh community in the United States was following all this word by word. As I left to go down to Athens to get my instructions, the Sikh community had restraining orders at every conceivable airfield and Sikh lawyers there so that the Sikhs would get full due process when they got here. It would serve as a platform to rail against the government of India. That was Sunday. Monday, I headed down to Athens to get my instructions. Monday morning, Ronald Reagan and George Shultz came back. They in effect said, “What the hell is this? We never negotiate with hijackers. Now, we don’t care what it is might have been said in the past three days. We ain’t doing it and we’re not letting these guys come to the United States. Get that back to

the ambassador. Send him some instructions and tell him to call this whole thing off." I arrived in Athens and got my instructions from Alan Berlind or Roger Berlind (One is a Broadway producer and one is a Foreign Service officer.). I guess it's Roger. If it's not Roger, it's Alan Berlind. He is the producer of Kissing Kate, Amadeus. That is not the guy. It's the other guy. It's his brother. He said, "Quincey, I've read over these and these are the damnedest instructions I've ever seen." There were 14 semi logical points to give to the UAE negotiator, who was Sheikh Mohammad bin Rashid of Dubai, not of Abu Dhabi, because that is where the plane was. At the end, he said, "Tell them that if they're unable to accept this, we're not going to permit these guys to come to the United States anyway. So there. Period."

So, back I go. By that time, the Indians have gotten Indira Gandhi's top trouble shooter, Bandavi, there. A very helpful guy from security... I got back and I went in the first day to see Mohammad bin Rashid. I sat down and looked at him and said, "Well, Your Excellency, what I've got here is a whole lot of reasoning that says we're not going to do what we said we were going to do. So let's just forget that. I know that you value your relations with the United States. We've just negotiated some important agreements to your benefit and to ours. I know that neither one of us wants to see all this stuff come unraveled. Let's sit down together (using the Lyndon Johnson term), join hands, and reason. I just can't do that." He smiled and said, "You know, I kind of had an inkling this morning you were going to tell me something like that. What can we do?" Well, what we did was, we hired - with the wonderful assistance of this guy whose name I can't remember - a plane from a private company in Kansas City, Missouri that had an American flag and flew it to Dubai and taxied this thing up to the plane with some American agents on it. They opened the plane up and said to the hijackers, "All right, here is your plane." Let the Americans out there. They by that time were totally exhausted. They got off the plane. Nobody got shot. They surrendered their weapons. They got on the plane. The Americans disappeared. Indian security guards got on the plane and flew to India. Nice trustworthy fellows. For a moment then, our relations with India skyrocketed except that I had a problem with Harry Barnes as the ambassador. He was much higher an ambassador than I was. I had worked out this deal on this. One thing was that Mohammad bin Rashid wanted to announce the successful conclusion of this. The Indian foreign minister insisted that he wanted to announce the resolution first. It was not to come out of Dubai. It was to come out of Delhi. He kept calling me on the phone saying, "You've got to let us do it." I said, "Mr. Ambassador, I respect you, but I can't do it that way. I've made pledges here and there is a gentleman here who has his political reputation to look out for." "Darn it, Quincey, this is not good." Slam. Instructions from Washington. "Ambassador Barnes has called us. We wish you would consider the relationship with India, which is one of the large democracies in the world, blah, blah, blah." I called back to NEA/ARP. Dick Murphy wasn't there. I said, "Robin, I've got the instructions here. I understand why you have to clear them and send them to me, but please tell Dick that this is very important, that I am not going to follow those instructions and if the result of me not following them is not satisfactory to the Department of State, you have my resignation." So, I did it my way. They took off, talked to Bandavi, who was Indira Gandhi's troubleshooter. This was not the Indian foreign office. This was the

power guy next to Indira Gandhi. He said, "Get this plane off the ground and headed toward India. Don't worry about the details." So, I felt fairly safe. It took off. I think Ambassador Barnes was ticked off. The foreign ministry was ticked off. Bandavi got back to India, spoke to Indira Gandhi. The next thing I know, it is about five days later and I had a letter from President Reagan, a commendation thanking me for the resolution of the hijacking without loss of life. But that is the kind of thing you every once in a while face. Your reputation, the reputation of the people that you're accredited to, and your respect for their willingness to negotiate with you under unusual circumstances where they have made some considerable concessions under duress is worth thinking about. I was lucky. I lucked out. Of course, that put me on the bad guy list for the Sikhs. So, the tight security continued throughout the rest of 1984 into the spring of '85, particularly as the war was going on. I never got completely free, but it was reduced. The U.S. bodyguard who accompanied me everywhere was finally (This was getting expensive) called off in the spring of '85. Then that first day when it was called off, I felt this great stone lifted. I could actually go to the job without somebody standing behind me. I got in my car and I drove from central Abu Dhabi out to the international airport with country western music blasting on the radio waving to everybody. By the time I got back, they said, "Where were you?" I said, "Well, I was just breathing the air a little bit. It felt so great to start functioning."

Q: I would like to stop at this point if we can.

LUMSDEN: We're coming to the end of my tour as ambassador. You may have some specific questions about the UAE, how the UAE has developed. It has become a very close ally in strategic thinking of ours. We have all sorts of defense arrangements with them. They go way beyond those little first steps.

Q: I would like to ask next time how you felt they were absorbing their great wealth. I saw them when they were fishing villages. We're talking about 1958/1959. Dowels pulled up on the beach. I'd like to know how you felt they were managing their money and their society and relations with Saudi Arabia, Buraimi, and all that sort of stuff. Then we'll move on.

LUMSDEN: And even the BCCI scandal.

Q: Good.

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Today is the 8th of May 2000. Okay, oil money, border, and BCCI.

LUMSDEN: Let's start with my understanding. Unless something unbeknownst to me has happened fairly recently to the border situation in the area, it involved basically four countries - Saudi Arabia, the biggie; the Sultanate of Oman; the United Arab Emirates; and Qatar. What has happened is that by sort of tacit agreement, these countries are not

going to formalize their borders bilaterally or trilaterally - possibly even not quadrilaterally - until everybody's agreed to everything. In the negotiations to date, certain concessions have been made and certain liberties taken by the more powerful player that people don't want to acknowledge until it's a done deal because of the likely tribal political fallout. Starting with Qatar, formally, the last recognized agreement was that the United Arab Emirates has a common border with the state of Qatar. De facto through negotiations between Saudi Arabia and the United Arab Emirates in order to solve the Shayba Zararra problem in the aftermath of that as much as 15-18 years ago, Sheikh Zayid of the United Arab Emirates acquiesced in a Danzig Corridor for Saudi Arabia through the area called the "Sabhat Makhdi," which is basically quicksand, the Sabha, which you don't want to get into if you're in the Middle East. You sink right into the damn thing, but where a pipeline from the Saudi exploitation of the oil fields south of the oasis there would take place. Nobody deigned even tell the Qataris formally - of course, the Qataris knew damn well what was going on - that they were changing neighbors. Qatar being a very small place and not being in much of a position with its total of at that time probably less than 100,000 native citizens to do very much about anything. So, that corridor remains in confidential papers held certainly by Saudi Arabia and the United Arab Emirates and certainly having been conveyed to Qatar and Oman by this time.

Moving on, as a settlement of the Shayba Zararra disputes, Saudi Arabia and the UAE did agree on a demarcation line which would be sort of a southern border of Abu Dhabi going all the way from this Danzig Corridor all the way over to the Buraimi Oasis and a bit beyond. That line, which has not been formally agreed, terminates at a mound in the Rub al-Khali called the "Oma Zumah," which is recognized by everybody as the point at which the United Arab Emirates, Saudi Arabia, and Oman come together. What has not been agreed is how the lines emanate from that point, except for this one agreed between Saudi Arabia and the UAE. The main problem is that, suspecting that there are more hydrocarbon deposits in the area, Saudi Arabia, treads on little sheikdoms to the south.

Q: We call that a "radfahrer" in German.

LUMSDEN: Yes, "bicycle." So, the Saudis have not deigned to agree with Sultan Qaboos on a demarcation line between Saudi Arabia and the Sultanate of Oman. Indeed, they have gone so far as to push their view of, "Well, the last real agreement we had was with your grandfather at Fuad Hamza Bay," which is a line which would chop off 50-60% of the western part of the Sultanate of Oman. Of course, that is politically unacceptable. As far as I know, no forward movement has been made on that.

Of course, coming down out of that, whenever you do get a line, you run south going into the Hadramut and the Omani-Yemeni-Saudi situation. I am not very conversant with where that stands right now. After the "unification" of the Yemen, there may be some action there which I am not aware of at this time.

Q: I would hope we were keeping out of this thing as much as we could.

LUMSDEN: I did my level best to simply be aware of what it was and say nothing whatsoever about what Uncle Sam thought should be done. We had gotten ourselves very close to being in a mess when the oil companies tried to drag us in on either side of this in the '50s. It was terrible!

Q: But Aramco was acting as technical advisor to Saudi Arabia and the British political agency was acting as technical advisor to Abu Dhabi.

LUMSDEN: Yes. At one point, I can't remember whether it was Shakput or Zayid who asked Faisal, who was either King or negotiating for the Saudis, "How far does your border go?" He said, "Right up to the cushion on which you're sitting." That is the way the Saudis treated these guys. So, I don't believe you're going to have a ready formal definition of that boundary until everybody is quite sure they know exactly where all the hydrocarbons are and can make arrangements. In the meantime, the way things are in that part of the world, there is no real urgent pressure.

Q: No. Even if you end up with finding hydrocarbons, you can very easily end up with a neutral zone a la Kuwait, Iraq, and Saudi Arabia.

LUMSDEN: You could. In the meantime, the danger is irritating the tribes, which have difficulty comprehending the western sense of formal boundaries anyway. They have a concept of "dar," which means "house" or "area." "Our people come from here. We roam all around here." It's very vague. Everybody would know who had priority interest in the water well.

Q: Oh, yes, and whose date palm trees...

LUMSDEN: Yes.

Q: How about nomadism? How were things at the time you were there?

LUMSDEN: Times are changing. I first went to Kuwait back in 1970 and 1971. It was very much a nomad society. At least it was in Abu Dhabi. When you got up into the northern emirates, the tribes in Dubai were from the same Bani Yas group as those in Abu Dhabi. However, they had a certain mercantile sense. Then you went even further north and you got into the Callosum, which were maritime people. They were the pirates and raiders.

Q: And there wasn't much room to maneuver around in anyway.

LUMSDEN: No. That is my understanding of where the border situation out there stands. It could stand that way for some time.

As far as money absorption, to paraphrase Lord Acton, "Power corrupts and absolute

power corrupts absolutely. Money corrupts and unlimited amounts of money corrupt absolutely." They have done marvelous things physically to this area. You would be astounded, as you have been there back in the '50s and '60s, that it is really remarkable. It was done. It couldn't have been done without corruption. That is how money flowed. Conflict of interest things that our minds would be boggled at go on there. It is also in that the Bedouin is not necessarily a very generous person when he gets his hands on money. Whether it's one dinar or 20 billion dinar, his attitude stays somewhat the same. They have driven some western businesses quite nutty in paying up on bills and things owed, thinking, "The world needs us so badly that they'll let us just hang off on this until we've put the company through the ringer four more times and get more out of them." A good example of that. You can see in the Wall Street Journal, which I happened to bring along because this is my valedictoire here. April 20th. "How a Gulf Sheikhdom Landed Sweet Deal with Lockheed and Martin." See how they evolved on this eight billion dollar F-16 sale. By the way, I was three times interviewed for this article here as long as they didn't use my name. It shows how once they get you into the demander position, they can really grind you up. The fact of the matter is though that they have come to grief several times with all their money.

The prime example, of course, would be the BCCI mess. It was a bank started by expatriate Pakistanis with the idea that an Islamic-run bank can be one of the biggies of the world - and they were sort of infatuated with this. They started to acquire more. As a matter of fact, BCCI gave Michael Sterner a loan to build the residence that the embassy has in Abu Dhabi. This was done and paid back long, long before the scandal ever hit. We're talking back in the mid-1970s. The scandal didn't hit until 1991 when it came loose. But what was happening there, for example, was that these very persuasive Pakistanis were corrupting foreign bank officials, making deals with Latin American drug dealers to launder their money, getting all sorts of sweetheart loans and things out to people in governments who may or may not have been good loans, and most egregiously from our point of view, the takeover of the First American Bank shares in Washington. That was when I was the desk officer back in 1972-1974... Faisal was emir of Kuwait. Khalid Mahfuz of Saudi Arabia and a group of others (I can't remember all the names now.) tried to purchase First American Bank shares. I was interested in this mainly because First American Bank shares is the Bernard F. Saul empire. Frances Saul, B. F. Saul's daughter, long since passed away, was my mother's bridesmaid. So, I knew a little bit about the family history. Well, it was quite clear that U.S. banking laws did not permit this group of foreigners to take over this bank. Don't press me on exactly how the law read, but it didn't work. It was an ugly duckling.

However, I came back as deputy director of the area in 1979. By that time, Clark Clifford and Altman had gotten involved.

Q: Clark Clifford had been Secretary of Defense and advisor to the President. But at this point, he was a distinguished attorney, but quite elderly.

LUMSDEN: Yes. A senior statesman and advisor. Of course, with the entering of those

people into it, what I had thought was an ugly duckling - and everybody agreed back in 1970 - suddenly became a soaring eagle. One of the things is how domestic politics here can simply crush foreign policy considerations. It's unbelievable, particularly now that we have no real threat out there. So, the thing went on. I will be frank to admit that during the period 1982-1986 when I was actually in Abu Dhabi, I perceived nothing, absolutely nothing, out of the ordinary in the activities of BCCI. As a matter of fact, when people like Andrew Young and Muskie and others came to visit, BCCI was one of the big entertainers.

Q: BCCI was active in Abu Dhabi?

LUMSDEN: It had offices there, but the government of Abu Dhabi owned about 70% of the bank. Because of that 70% ownership, when all of this broke loose, the government of Abu Dhabi tried to say, "Oh, we're the victims here. We should get 70% of any money that comes back." This totally abrogated the fact that they were responsible for oversight of the actions - in particular, a friend of mine named Zanu Madruli, who was the head of the private purse. But showing the sophistication and corruption of the BCCI leadership, they knew where every single target person they had had a weakness. It was either money itself, alcohol, women, drugs... Zanu Madruli was above all that, absolutely righteous, an extremely righteous Muslim, and was sold on the fact that this is a pure Muslim operation with which we will show that Islam can be one of the banking greats of the world. Of course, as head of the private purse, he had influence over the Abu Dhabi investment authority. One thing led to another. All of a sudden, the whole thing collapsed. The New York State attorney, Morgenthau, indicted the ruler. They had to work out a deal. They had to give up any claim they had to paying back the creditors and in Abu Dhabi. I can't remember if it was 1 or 2 billion dollars to pay back all the poor little creditors, mostly not in the United States but in Britain and Europe where a lot of Pakistanis and others had put their life savings into this thing.

Q: This was after your time.

LUMSDEN: This was afterwards. I left in '86. The scandal didn't break open until '91. It was in the aftermath of the Gulf War.

Q: Was anybody asking... Here is a bank being run in a very small country. It comes across like an offshore bank really.

LUMSDEN: Oh, they had Cayman Islands, too. Abu Dhabi, Cayman Islands, some place in Luxembourg...

Q: But normally all sorts of signals are emanating from this. But were you getting anything from the Treasury saying, "Hey, look out for these guys?"

LUMSDEN: We said, "Look out for these guys" in 1972, but in 1979 and '80, no one was interested in listening to what some dumb little deputy director of NEA/ARP had to say.

We're talking big time now.

Q: Within this power structure, you had people like Clifford and Altman, and I suppose there were a lot of other people who were-

LUMSDEN: This is just one example of the way things tended to operate on that island. It's too bad that the Foreign Service, being sort of an unknown quantity to the body politic of Americans, doesn't really have an impact and can be easily excluded.

Q: I was just wondering whether anybody coming around even jokingly said, "Well, I'll guess they're not up to any good" or something like that.

LUMSDEN: Oh, yes, there was considerable "Boy, this looks like a slick deal here that's going on." But nobody was going to stop the Limited coming down the tracks.

Q: Nobody was going to put that money into...

LUMSDEN: The final resolution of First American Bank shares I knew at one point. They had to get $400 million or something like that that had been bilked out of that bank. I don't think they got the whole sum, but they got 70 cents on the dollar or something like that. This was a great event.

Q: Was BCCI playing much of a role other than corruption? Was it sort of the investment bank or the bank one went to to build up a port facility and all that?

LUMSDEN: They did. They weren't the only bank doing this, but there were a number of big banks in the area. They did participate in a lot of infrastructure development loans, quite a few. But the point I'm trying to make is that this aura of money corrupted the government to the point where they thought, "Well, we're totally innocent on this. People come in and tell us these things. Well, gee, we're just a poor Bedouins." They said, "No, that's not the way it works, fellows." When they threatened to indict the ruler of Abu Dhabi and have him subject to arrest if he ever came to the United States, the pennies sort of dropped then. But they had to take a strain on it. And they did. It's a learning process. That is the kind of thing that happens.

Q: There you are. As the American ambassador, did you feel that there were not just these Pakistanis, but other slick operators coming from the United States and everywhere else? When there is money and the smell of money and the smell of oil.

LUMSDEN: Endless numbers of them. Americans, Europeans, Japanese, Chinese, all in there looking to cut one sort of deal or another. Like moths to the light they came in.

Q: Obviously, it didn't work in the BCCI one, but was there a body or a person or something who was sorting out these things? Were you ever turned to and told, "What about this Elmer Gantry operation that says they'll put in a communications network or

something?"

LUMSDEN: I have on several occasions both promoted and demoted business propositions that were floating around. But on BCCI-

Q: This was not at your pay grade.

LUMSDEN: No, no. People would come in with scatterbrained ideas. Then people would have something going on in the States and hire a lawyer. Suddenly, the law firm would fly 12 lawyers out to Abu Dhabi just to run up the billable hours and things. It was egregious. Anybody was doing this to them. That's why they had really forced their native Bedouin defense mechanism that you've got to watch everybody; they're all out to try and stick you. But of course, the ultimate ones that they were suspicious of were other Arabs from the area. Really, the idea of negotiating with another Arab who might get the best of you was a real problem for them. With the oil companies, they would ultimately come around. The oil companies had a certain way of working with these people. It was the slick operators who would come in with their attaché case and flip open the thing and bring out a contract when they only just met someone twice or something like that.

Q: Oil companies are there to stay. I watched Aramco evolve. They burrowed their way into the society. They realized that if they're going to be around for awhile... "We're not here just to milk money out. We want to get the juice for a long time, but we have to share and slick stuff doesn't work over the long haul."

LUMSDEN: I don't know whether I've mentioned it or not. I can no longer remember; I've talked so much here. The oil companies were highly enough thought of in Abu Dhabi that they were never nationalized. They took 60%, but they left 40% equity with the major oil companies operating there, which is one of the wisest things that they ever did.

Q: How were the Kuwaitis seen at this time by the powers that be in Emirates?

LUMSDEN: The Kuwaitis were considered slick and arrogant, always willing to tell you what you ought to be doing. One of the main problems with the development of the Gulf Cooperation Council's unified market is... The borders are supposed to come down, labor and capital can move. There is not that much native labor. Most of all the labor comes from the subcontinent anyway. But capital? Do you think Dubai and Abu Dhabi want about $30-40 billion of Kuwaiti money coming down there and starting to buy up stuff? No, no, they don't.

Q: When you look at the transcript, you may want to add more. Let's go to '86.

LUMSDEN: There is one thing I think I probably should mention. We talk about the Iran-Contra situation. Iran-Contra broke in the spring of '86, I guess. However, during the last few months that I was in Abu Dhabi, strange stories started to come out first from the local Abu Dhabi CIB (their radios). They told me they were picking up some American

voices in plain English - and it had been relayed down from Dubai as well, which was even closer - of American flights headed into Iran. What was all this about? I said, "What?" We had been pushing the Iraq tilt, which I think we did talk about. Murphy and I. George Shultz. Me at the bottom of the totem pole. We did have an NSA group with green ears in the embassy. Now, the NSA never tells the ambassador squat about anything.

Q: The NSA is the National Security Agency which listens to a lot of people. It's very curious.

LUMSDEN: It's very curious. They do all the super sophisticated stuff. But what I was talking about was hardly super sophisticated. It was Citizen Band radio. I did ask. They said, "You know, we did get some funny stuff coming over just on our little side readers." You would think they never told them anything about what they were really doing up there. So, I asked the Department what it was. I got a nice little friendly NODIS saying, "Quincey, this is not for you to worry about. Just be quiet." I asked the station chief to go back to Langley. He got the same kind of message: "This is nothing for you to worry about. Just shut up." About a week after that, a gentleman named Albert Hakim... You may remember him. His name was mentioned along with Secord and others as setting up the arrival with the birthday cake, the key, and all that. They had to talk to go get the planes in. I had seen him several times before. He said, "Mr. Ambassador, you do understand, don't you, that there has been a fundamental change in U.S. arms sales policy towards Iran?" My response was, "Possibly, Albert, but not as far as I'm concerned. There has not been." This was probably the smartest thing I ever said in my life.

Soon after that, it got to be '86. I left. The thing broke in the spring of '86. I was asked to Geneva to address a conference on oil pricing. I got down there to the hotel in Geneva and who was the first person I should meet? "Hell, Mr. Ambassador. It's Albert Hakim." People are looking at me. Of course, it was the time that he was slushing the money from one account to the other so he wouldn't be caught. I out of dumb luck said the right thing. Murphy and the Secretary of State were in the agonizing position of really knowing about this, but formally were totally against the policy, having to say, "We know nothing about it" and playing dumb. A couple of other officers pretended that they knew something about it and got themselves in hot water. I stayed stupid and stayed out. But the sofa is still in the embassy in Abu Dhabi. We call it the "Albert Hakim Memorial Sofa" where he sat.

Moving on to '86, I transmodified myself into an international civil servant. Having not learned enough working for one government, I went to work for 23 OECD governments as petroleum director of the International Energy Agency.

Q: You did this from '86 to when?

LUMSDEN: I was there a long time. '86 through '93. I was a consultant the last year, but I was petroleum director from '86 to '92.

Q: Let's talk about that first. How did you get the job?

LUMSDEN: Allen Wendt called me. He was in EB at this time. I am not an EB person. I'm an NEA line officer. But he said, "This opening is coming. We think we would really like to have a Middle East oil knowledgeable American get this job. One of the things the IEA does not have is a lot of in-house Middle East expertise. They do a lot of good statistics keeping and they know what the government stock level is and things like that, but they don't know the ebb and flow of our relations with the producing countries." Well, it had been indicated to me from the Department that my... By that time, I was the longest serving ambassador in an Arab country. I was going on four years at that time and they were really rolling them over very fast. Probably, my next assignment was going to be as a Deputy Assistant Secretary - not the senior one, but the junior one for economic affairs - in NEA.

Then the offer of going to Paris as an IEA director for them came up. My wife and I sat down for about two or three minutes to decide whether we wanted to go back into the Bureau again or go to Paris to live. Guess what choice we made after all those years? We went to Paris. It was a very interesting almost seven years, time for me to get acclimated to international work.

Q: Were you officially a Foreign Service officer?

LUMSDEN: No. The reason for that, if I were seconded, I would have taken my pay level in the Foreign Service, but I was going in at the A-7 level on the OECD/NATO scale, which is right near the top and the financial rewards are not double, but almost double what it would have been... If I may be so crass as to mention money, an A-7 on that pay scale made then about $150,000 a year.

Q: These international organizations do it first-class, don't they, the European ones particularly?

LUMSDEN: They do. I was craven enough to say, Well, I think my turn has come. It was a wonderful experience. The highlight of it was, of course, the Gulf War and strategic stock management. Out of the Gulf War came the revival of the producer-consumer dialogue, which I was handed to do. I was able to start up technical level talks between OPEC and other producing countries and the consuming countries so that at least an air of conviviality between the two groups would be maintained so that at times of crisis such as the Gulf War, I can sit there with Helga Stieg, the German lady who was the top official in this organization. We can call Saudi Arabia, the United Arab Emirates, and Kuwait and say, "Look, we're going to say this. Can we get your support if we say this and that you will raise your production?" All on the Q.T. That is the way things work in a crisis. I've written a paper that I gave with Sheikh Yamani last November at the 25th anniversary of the IEA on the geopolitics of oil. Oil is not as geopolitically important as it used to be. Economies, particularly ours, are not on a 1:1 GDP barrel of oil input ratio

anymore. We have great productivity gains with the new economy and things like that. However, it's still important. Most of the world does not have the productivity gains that we do, and still particularly the developing world is going to require a lot of hydrocarbon input if they're to keep ahead of the social forces percolating underneath them like a volcano. Oil is now a commodity. It is treated like a commodity. You do calls, futures, and all those things on it. That is the way it should be. We try to impress people with the fact, particularly in the producing countries, "Don't try to fix the price of a barrel of oil by governmental edict and putting production on or off. What it does is, it presents a target to the speculators, who are just going to hammer it to smithereens. Let it float between indefinite levels." They're halfway between this now. The Venezuelans are trying to put a spread on oil prices. I can't remember what it is. 20-30 something or other. That is not going to work. The only thing that is going to be operative is whether it's the lowest floor or the high ceiling that is being worked on. The speculators will just kill that. However, it's not any commodity. There are thresholds where geopolitics comes into play. It gets beyond a certain point and then it's no longer just a commodity. Then economic, diplomatic, and even military actions come in. Right now, the barrel is somewhere around $30 high and $10 low.

Q: I want to take you back. In 1986 when you went there, what was the organization? Tell us a little about the history of the organization that you were dealing with. Tell me about the people with whom you were working?

LUMSDEN: The organization was pretty much the brainchild of Henry Kissinger after the 1973 oil crisis and the resultant recession. He said, "We cannot stand defenseless." This was at a time, of course, when the demand for oil had skyrocketed and the OPEC countries found themselves for a while in the driver's seat on oil. The formation of this organization, which was negotiated for the U.S. by Tom Enders, was 25 years before November 18, 1999. That is when I was there giving my talk. The idea was that the industrialized consuming countries should get together at times of crises and at least share, which turned out to be politically impossible (The U.S. wasn't going to share a strategic petroleum reserve with anybody.) or plan parallel policies to overcome oil shocks. It got off to a difficult start. What made it work finally was that the recession caused by the first oil shock was so bad that the bottom fell out of demand. Suddenly, by 1984/1985, you found a whole industry in a really sorry state because there was not that much demand for their oil. The King of Saudi Arabia one day noticed that Saudi Arabia's foreign exchange holdings had fallen below $100 billion to $99.7 or something like this. He asked his finance minister, "What is going on?" He said, "How can we maintain that level when we're producing only slightly over two million barrels of oil a day and some days less than two million barrels?" "Why is that" "Well, we're the swing producer for OPEC, to hold up those prices." The King said, "Get me Yamani on the phone." The caps came off, the oil came out, and we know the rest. The rest is history.

Q: You arrived just about the time this was being abutted.

LUMSDEN: Yes.

Q: This was part of the Organization for Economic Cooperation and Development.

LUMSDEN: Yes. It is an administrative part of but autonomous from the International Energy Agency, based in Paris. The reason it had to be autonomous was that our very good friends in France chose not to join. There was a famous debate between Kissinger and Minister Jobert where Jobert would make statements like "Le AEA est une nation de guerre contre l'épais en doit de developpement" (French: a war machine against the developing nations), that the rich ones should try to protect themselves. Then Kissinger would make comments about, oh, yes, he did not think that Jobert was his intellectual inferior at all. That is how snippy it got. One of the things that I am very proud of was that once the Gulf War came and I got going on a producer-consumer dialogue... France is now a member. They finally realized it's better to be part of this, particularly in that now we're talking to them. Right now, with the high oil prices last November and December, the IEA is talking to the producing countries. You notice, the prices aren't as low as people want. Prices in this country should not be as low as some people want. Then you disregard conservation of energy. But the times have changed. There is an atmosphere of conviviality as the two search for solutions. When the price of oil gets too high for the consumers or too low for the producers, then certain contacts are put into effect. The oil traders know that if they hammer too far, the governments will intervene. I don't mean intervene in the market. I mean intervene militarily, politically, and every way else. They'll mess it up for them, so they're cautious on this.

Q: When you arrived there, what was the wiry guy plan - or whatever you want to call it - where you stood? Who were the people you were dealing with?

LUMSDEN: First of all, a woman named Helga Stieg, who was a favorite of Henry Kissinger's and who was a German trade negotiator, would probably have been Germany's first woman finance minister if it had not been for the fact that she was tied to the Freirdemokratin and Otto van Landsdorf, her great friend, suddenly had an income tax problem and everything fell to the side. Working with her, finding that she was very, very good in advancing free market approaches to handling problems rather than the more institutional-socialist types that we had in a number of European countries that felt that the free market was enslaving the action of governments to do their rightful thing to control everything and everybody, which was a necessary step. I worked with actually 23 governments, members, all of the OECD countries except France, which later joined and once the Gulf War got started could go public with my contacts with the usual cast of characters down in the Gulf plus Venezuela, Mexico, and others. It provided me a lot of world travel and it was a very interesting time in my career.

Q: Let's talk first about France. Why was this thing in Paris?

LUMSDEN: Because the OECD headquarters were in Paris. I can't remember whether it was de Gaulle or George Pompidou. Then in that the group of nations who had joined it were absolutely the ones that needed to get together and consult on energy, that was the

obvious place to put it. You would be amazed. Before 1973, there were no energy balances in a country even like the United States. All of these sectors operated. Nobody had a handle on how much energy was coming in and how much energy was going out. Energy was like water. It's a free good. It was only after the oil shocks that people started to do these things.

Q: By this time, everybody knew the script. In other words, was it a professional organization? Were the lines to the producers and to the consumers pretty well established by the time you got there?

LUMSDEN: It was a highly professional statistical gathering organization. It benefited while I was there from a chief executive who had a good economic knowledge of how things work in this world. In other words, let markets be free to the extent that they can be free. Then around it was a whole lot of politics and national capital gibberish that would come out based upon some bureaucrat's view in Copenhagen that the rest of the world should be using wood stoves so we didn't use oil or something like that.

Q: Were you able to kind of duck the wood stove factor?

LUMSDEN: To a certain degree, yes, particularly when the crisis came. Not completely. I was one of the commissioners on the Energy Sector Management Assistance Program for the World Bank when... I don't even want to talk about that one. But the Agency, if there is no crisis like the Arab embargo, like the Iranian revolution, like the Iraq-Iran war, like Iraq's invasion of Kuwait, very quickly drifts out of the public site and is suddenly trying to justify and create a raison d'être (French: reason for being) based upon its analysis of how many renewables we can get into the energy balance next. People take it for granted and say, "What are these guys doing over there? Why are we still having that" until something goes wrong, oil prices spike, and then they're right back in the center of it again.

Q: You were basically then doing sort of relatively routine things until August 1, 1990.

LUMSDEN: I was responsible for the monthly Oil Market Report, which is the banner publication, where everybody in the world and all the OPEC ministers subscribe. It showed all of the inflow of energy supplies, the demand for energy worldwide, the building up or depleting of stocks worldwide, how it went in various sectors, how all the products were being used (butane, propane, natural gasoline, light/heavy fuel oil, naphtha, etc.). That was a lot of work. Of course, I had some good oil people and statisticians working for me. I was just the responsible editor for the thing.

I was also responsible for third country relations. In other words, not only with the 23 members, but anything to do with any other countries such as Korea, Indonesia, or someone like that that would for any reason wish to contact us. It was extremely touchy to do anything with an OPEC member from 1986-1990. The organization was created as the "anti-OPEC." We had people there who just every time they heard Arabic, they would try

to crawl up the wall. But some of these people didn't understand.

Q: In a way, were you hired specifically to bring a diplomat into this business - and an Arab diplomat?

LUMSDEN: Yes. Those who knew knew, but an awful lot of them never got the point. But I'm completely satisfied with what I was able to do while I was there.

Q: What happened August 1, 1990?

LUMSDEN: Just before August 1, 1990, I looked at the situation and said, "Well, it's not very good, but I don't really think that much is going to happen in the next couple of weeks. I'm going on vacation to Greece." I was lying on the beach and Commander Borlin, my father in law, ran out and said, "Hey, the Iraqis just invaded Kuwait!" I said, "% &*," left my wife and children there, and got on a plane and went back.

Then a great tug of war started. With that invasion, an awful lot of oil production and an awful lot of distillation capacity went off the screen. Prices started to rise in August through October. Prices were rising in IEA countries, but products were available. In the part of the world where the action was, you had not only the refinery capacity falling off in addition to the oil production; you had the Pentagon moving an awful lot of stuff out there - carrier task groups, Air Force squadrons, sucking up every single bit of kerosene and jet fuel there was anywhere around. In the whole Asian subcontinent, no housewife could get any cooking stuff. They were in bad shape. But for us, the price was going up and suddenly the U.S. delegation started getting peppered with congressional and senatorial cables saying, "Break out the strategic reserve. We need to bring the price down. My constituents don't like this." The period from about the end of October 1990 through January 1991 was the worst. That is a very short period compared with a huge recession of the first and second oil shocks. But we - that is, Helga Stieg and I - kept saying, "No, this is not what we want. We don't know what we're getting into. Those strategic reserves are for physical shortages. They're not to be used to massage the market. They are to be used to take care of gas lines." As luck would have it, the Secretary of Energy, Admiral Watkins, was falling very much under the pressure of Congress. However, over at the White House, Sununu and his boys sent us word "You've got it right. We're not opening up that reserve. We don't know where we're headed." We didn't know whether we were going to take tremendous casualties in that war or not. Of course, what happened was, we set up a stock drawer and said that it would only happen if hostilities showed that it were necessary to release. We put out a token couple of hundred thousand barrels a day when the air raid started as a symbol in January 1991. What actually happened was, after the raid started and the world realized that Iraq was in no position to annihilate Saudi Arabia's capacity, the price came down. After the famous Battle of Khafji**,** where the Saudis were beaten back, that was a critical point because we were not really militarily in position yet and the Iraqis probed into Saudi Arabia. There was a U.S. Marine battalion, a bunch of gunnies, who fought them back. The Iraqis moved into Khafji with their turrets turned backward, which is usually a sign of "We're

here to give up," so the good guys started shooting. It was about a two day battle there. Long before we were ready to go to Desert Storm (We were still in Desert Shield at that time), that was probably the critical punch there. But once January 15th rolled around and the full air war started and it became apparent to the world that the rest of the production capacity was not going to go down and that we were lucky to win this thing, then the price crisis was over.

Q: How did you find people like Venezuela and Nigeria? How were they responding to this?

LUMSDEN: Well, Venezuela, I feel sorry for Venezuela with its new government, which has gone to populist excess down there. I went to Venezuela and they were all supportive of getting the producer-consumer dialogue going and even contributed $25-50,000 to get the first meetings set up. This was Olirio Pada, their minister, who did that, whom I had known. The French and Venezuelans set up the initial conference after the Gulf War in which they had this grand idea that they were going to lift strategic oil management totally out of the OECD-IEA context and give it to the World Bank and the IMF in particular. I told Helga, "If we don't do something and take an initiative to open this thing up between producers and consumers, we're going to lose the whole ball of wax." The U.S. and the UK were not completely on board yet because they still had some Neanderthal anti-OPEC types in there that I don't think saw the full dimension of what was likely to happen. I can remember as much as 15 minutes before going on with that demarche, the Brits and the U.S. were still asking, "What is it you're going to say?" "Don't worry. It's technical level only. We're not going to the political level" assuring them. They didn't have the clearest... but after the demarche was made and it became clear what we had done, they came on board. It was nice to be in the position where we did not have to follow the orders of the American delegation. It was a time when we had to phone or get out of the booth on that one.

Q: Was Nigeria much of a player?

LUMSDEN: Rilwanu Lukman, I know, is a very good international civil servant. He is now the Secretary General of OPEC. Nigeria went along very well and upped its production. The problem in Nigeria was, you never really knew whether the people you spoke with really had a policy and would be backed up on what they said because it would all depend on somebody back home. You never felt quite confident that you knew that you really had their support, but in fact, you did. The production went up.

Q: In the Arab world at one time, Tamisi and Yamani strode the world. The players in the Arab world in OPEC, how were they in this period?

LUMSDEN: The real Arab players that I knew were Yamani, Abu Rahman Al-Atiqi, the Kuwaiti, Manasad Al-ateba in the UAE, and the Qatari. I knew them. By and large, Qatar and the UAE would follow Saudi's lead on an international oil policy question and an OPEC question. The Kuwaitis had minds of their own, but usually also would come

around to the same position. When I first went to Kuwait in '67, of course, they were negotiating the partition of the neutral zone. I talked quite a bit with both Atiqi and Yamani at that time, finding it interesting that the two governments did not have their foreign ministers negotiating the boundary between them, but had their oil ministers negotiating the boundary. It just goes to show the clout that these guys...

Q: The boundaries are just dirt, but underneath, there was oil.

LUMSDEN: Yamani strode the world that we saw. He was a servant of His Majesty, the King. Some of Yamani's subsequent problems came when people at home realized how he was perceived as all powerful in the West. They didn't want to get too high a profile, but they didn't want somebody else to be running Saudi Arabia. This ultimately is probably what caused him to be changed, although he always did what he was told. The King ordered him in 1985 and 1986 to turn open the spigot and get Saudi production back up there. As a result of that, the price collapsed. Yamani had to take the fall for the price collapse. He is much older now. I saw him in November last. He is getting deafer. If he doesn't have his glasses on... He doesn't want to put a hearing aide in his ear. If he takes his glasses off, raise your voice about four decibels or he's not going to hear you.

Q: Before and after the Gulf War, how did we view Iraq and Iran as far as oil producers?

LUMSDEN: The Gulf War aftermath certainly produced an end to the Iraq tilt that we were working on there. But we couldn't get back with Iran, so it produced the policy of dual containment. There are many people around town here who can talk long about the policy of dual containment. I for one think it has long since run its course and has been as ineffective as the Iraq tilt ever was. Thanks to dual containment, we may have enriched Iraq and Iran rather than contained them. It became soon apparent to an oil embargoed Iraq that the price of oil could be easily manipulated by Iraq's cooperation or non-cooperation when various UN units were going to inspect arms or the oil for food program, whatever. Of course, they could place orders, futures, and options before they did this and buy low and sell high. The sanctions against Iraq have caused a great deal of hardship on the Iraqi people and from my observation have done very little to stop the enrichment of the ruling clique in Iraq. But we're not too good with hated dictators. Our opprobrium of a dictator is all he needs for longevity. Look at Castro, Saddam Hussein, Milosevic (How long is that guy going to be around?)... We really got him in there.

Q: This might be a good time to stop. In 1992, you left-

LUMSDEN: In 1993, I had a consultant position over there. I relinquished the directorship, took a consultant position. That is when I was working to get a job as managing director of the Gulf-South Asia Pipeline Project.

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Q: Today is May 12, 2000. We're up to 1993. What are you up to then?

LUMSDEN: In 1993, I am beginning to contemplate what life is like after you leave government service. I wasn't quite yet 65 and I had an ongoing consultancy year all of 1993, beginning of 1994 doing more of the producer-consumer dialogue with the International Energy Agency, something which people were starting to appreciate as, even though it doesn't produce anything, having a convivial atmosphere between the two groups is a good thing in case we run into another crisis like we had just come through.

One of the things that I had done with the Oil Market Division of the International Energy Agency was to try to put the authoritative/substantive work in the hands of people actually from the oil industry. I wanted hydrocarbons people in there rather than bureaucrats from the MITI Ministry in Tokyo, the Finance Ministry in Germany, or from the Department of Energy in Washington for that matter.

Q: These would all be basically bureaucrats who...

LUMSDEN: Yes. Somebody who moved it, sold it, and worked with it. I was fortunate in doing that. The fellow I had there was a German named Wolfgang Luden who turned out to be an excellent person. He got a job with the European Energy Charter. He had been over five years at the Agency. Usually, they have a five year cutoff. I got him extended for a couple of years. I said, "Wolfgang, who do you know amongst your friends who might qualify?" He said, "I've got a great guy. His name is Philip Starling and he's working in the United Arab Emirates." I said, "Oh, well then, who is he working for?" "He's working for Crescent Petroleum and a fellow named Hamid Jaffa." I said, "I've known Hamid since 1970. Let me give him a call." So, I did. I got Philip Starling as a long-term Exxon employee who had gone with Crescent for some specific projects they had to come in and take this job, but it wasn't more than 60 days later that Hamid Jaffa and Crescent Petroleum said, "Quincey, I understand you're going to be leaving the Agency. We have a project going on here with four companies - my own, which is Crescent Petroleum, which is one of the two or three only totally privately-owned Arab oil producing and selling companies... Another one is Nimir Petroleum in Saudi Arabia. These are not government controlled. They're private." There are very few of them in the world of Arab oil, where governments tend to have a pretty proprietary view of that resource. He said, "We've gotten Brown and Root and Transcanada Pipelines and we're working on a fourth (which eventually turned out to be Hitoshu of Japan) to work on a pipeline project to get natural gas from the Gulf to the Asian subcontinent, a tremendous market. The big tradeoff in global oil balances then and for the next decade or two will be the oil-gas tradeoff: how much natural gas replaces oil. The other elements of the energy input (renewables, coal, nuclear, things like that) are going to stay relatively in position. It's the oil-gas where the action really…"

Q: In other words, you're saying using one as opposed to the other.

LUMSDEN: Yes, basically using gas instead of oil. In what ways can natural gas be used to replace oil given particularly the environmental and other concerns that are coming up

now.

Q: Could you explain why gas during this period was considered better than oil?

LUMSDEN: I can. Believe it or not, even the Sierra Club recognizes that natural gas is the "bridging fuel" to the hydrocarbon-free future that they envision. By the way, they envisioned it a few decades before most of us who worked in energy for very long envisioned it, but never mind. They agree. And most of the gas we're talking about is methane, a large part of natural gas that comes out. You've got propane, natural gas, and butane that gets into bottles and buses that run on them. They're doing that now. But the large part of natural gas is methane, which is extremely difficult to bring into liquid usable form. You have to use big, heavy cryogenic tankers. It's fantastically expensive to liquefy. Therefore, getting it by pipeline to somewhere where it can replace high sulfur fuel oil-

Q: Would it go by pipeline in its gas form?

LUMSDEN: Yes, it would be in gaseous form - dried out, but in gaseous form. The idea here was to move at the beginning about 1.6 billion standard cubic feet of natural gas from Qatar's north field to the coast by Karachi and Pakistan under the sea. It would go sea, land, sea. It would leave the north field, cross the lower Gulf from Qatar's territorial waters to the UAE territorial waters, specifically Abu Dhabi, then from Abu Dhabi directly into Sharjah territorial waters, and then on land in Sharjah and cross the peninsula, avoiding the Strait of Hormuz and all the difficulties there, and cross the Hajar Mountains and come out on the Indian Ocean coast, where after spending a couple of million dollars on bathascopic surveys we picked out three routes. One would use a considerable amount of territorial waters that were Iranian. Of course, at that time, the D'Amato legislation had not come into effect yet, so it didn't look as though that was any problem. Subsequently, we picked out a second route that would use much less territorial water and then a third route that wouldn't use any of Iran's territorial water, but that is, of course, much more expensive. The pipeline is a marvelous idea. The window of opportunity following the Gulf War crisis was wonderful. All of a sudden, everybody in the region was talking about cooperating, even Pakistan and India, even Iran and the Gulf states. As it turned out, that window of opportunity pretty much closed. Whether or not it will open again, I don't know. Whether the idea of getting piped natural gas to the Asian subcontinent is a real winner for environmental concerns.

Q: What would happen, it would go to Karachi and then keep going?

LUMSDEN: No. All of it would be used in and around Karachi to let Pakistan, which had some of its own natural gas in the center of the country, divert that north towards Islamabad, Peshawar, and places like that. Also as the line grew, you would be able to pass it on offshore to India, which is a colossal country. At the outset, the 1.6 billion standard cubic feet of gas would replace about 40,000 tons a day of high sulfur fuel oil in the Asian subcontinent.

Q: I was just listening to the radio today and heard that over in the Asian subcontinent, the greenhouse effect is getting worse because basically the hydrocarbons are going up and burning out the cloud cover.

LUMSDEN: This is true. The irony of all this is that we in the industrialized world, having raised our standards of living since James Watt invented the steam engine by raw inputs of energy over several centuries, now are getting much, much more efficient - productivity gained with the new information age, combined cycle turnings, which are great, all kinds of things. We're declining our economic growth from our energy input and we're beginning to try to tell the developing world, "Ah, you little fellows are coming on a couple of centuries late. We don't want you to dirty the mess the way we dirtied it." Denmark has passed legislation about three years ago - and I do not doubt that they will meet this target - in which by the year 2007 or 2008, the per capita energy consumption of every human being in the state of Denmark will be cut by 50% from what it is. I don't doubt it. But I also will say that Peru will beat them hands down because of growing population. If Peru doesn't get raw energy in, the per capita energy consumption of Peru will be so bad that the Shining Path will have a victory in its lap. I'm drawing a very dramatic point there, but-

Q: That's a guerilla group.

LUMSDEN: That is demagogic to the needs of the poor people of the country. So, the idea of getting natural gas to developing areas is a great one. Why didn't it work? Here, I had shifted from the world of government service, position taking, diplomatic initiatives, demarches, and agreeing around tables to this, that, and the other thing into a world of internal rates of return, debt equity ratios, and a whole lot of stuff that turned out to be very, very different at the beginning, but not so different at the end. Once the major corporations and their bureaucratic stances and Byzantine dealings became known, it wasn't all that different from government work.

The particular project had three segments: upstream, midstream, and downstream. Each one of them in succession from this wonderful opportunity at the beginning - and we were getting access to capital markets; we had been on road shows with Oppenheimer and Goldman-Sachs drumming up money from Los Angeles to Boston to put into this 75:25 debt equity ratio to give us the $8 billion that we needed to do it. Then things started to go not very well for it. I would say it was February 1995. We had just had a meeting at the Plaza Hotel, a great place for all the businessmen to get together.

There was to be no investment by American hydrocarbon companies in any areas claimed by Iran. This put a real crimp in our style. Not only did we have Brown and Root wondering "What the heck does that mean for us," we had the Arab company Crescent Petroleum saying, "You know, we're a Delaware corporation," which really started to make things dicey. In particular, the rooting around the islands in the Gulf, forgetting about the Gulf of Oman, in the Persian Gulf itself, we were getting near areas where the

three islands dispute where the UAE claimed this and Iran claimed that and this legislation is saying, "Well, you can't go into areas claimed by Iran." Of course, Sharjah thinks, "But we're Sharjah. We're your friends and Iran is claiming part of our territory and you're telling us we can't operate in our own territory." I found myself in the interesting position of drafting letters from the UAE foreign ministry to the Secretary of State, explaining the hope that they would be reasonable on this situation.

Q: What was behind the D'Amato thing? I've met Alphonse D'Amato and he is probably the dimmest bulb I've come across. But he was senator. Thank God, he's departed the scene. Usually there is a staff member or something behind this.

LUMSDEN: Well, again, here I go, the State Department Arabist. Senator D'Amato was interested in getting reelected and would swing on any issue that had an emotional response in the Jewish constituency in the state of New York. That is what really got this thing going. Iran was the bad guy. Since this time, the Jewish community - and I have a lot of contacts there - I've dealt with AIPAC, with the Council of Presidents of Jewish Organizations - on this at length. The Jewish community is somewhat split now. They're not nearly as monolithic on issues such as Senator D'Amato thought they were. Iran is a country that people who favor Israel in this country remember good times. It was better for Israel when Iran was a friend of the United States than when Iran was an enemy of the United States. This is still working its way out as the Iranian reformists come back. There is considerable flexibility. There was the whole business of Iran-contra, giving the cake, the arms and all that that went on at that time. So, the middle part of the project came under the shadow of the D'Amato legislation. We said, "This is there. It has a sunset clause anyway. In 2001, it ends anyhow. There is this whole colossal central Asian pipeline policy that is being worked out now in Washington in which there are a number of proponents for third country transit being allowed from one area to another and particularly with Iran." This has not been resolved yet. I said, "What we should do is keep a very low profile and sort of maybe we can piggyback the big discussion on Central Asia and the endgame there. We are years away from actually building anything. Let's see. We'll cross that bridge when we come to it or burn that bridge when we come to it. Let's focus on getting India and Pakistan to agree. Iran actually had already agreed to Qatar's hydrocarbon passing through Iranian territory to Pakistan." The prime ministers of the two countries in 1996 signed a memorandum of understanding in which Iran said to Pakistan that it had no objection whatsoever to Pakistan importing natural gas from a friendly third country for sale to Pakistan utilizing Iran's territorial waters if for its part Pakistan would not at such time in the future object when Iran might wish to export its natural gas through Pakistani territory to a third party. Ah, India. Very nice. Well, we can move right ahead. Or we could move right ahead until the general staffs in Islamabad and New Delhi started to figure out what the bureaucrats and businessmen were up to. First of all, the general staff in Pakistan saw these plans of the eventual transit onward to India - this pipeline that we were building offshore - and said, "We cannot allow that. If India has a vital natural resource being imported via Pakistan's territorial waters, this gives the Indian navy the excuse for close in patrols of Pakistan and the Indian navy has a 7:1 tonnage ratio over us. Not only that, but they've bought a couple of submarines." How

submarines would operate in this particular rather shallow water... To the contrary. Notwithstanding, that was their position. Given the strength of the Pakistani military, they said, "What we will agree to though to the memorandum of understanding is for India to import Iranian natural gas by land." That became known to the Indian general staff. They said, "Are you mad? Do you think that we're going to let a vital resource coming to India cross land in Pakistan? Not possible." Well, that sort of froze the big onward part of the pipeline. Subsequently, of course, when the nuclear testing started, the financial community put all this on the deep freeze.

Q: Explain what the nuclear testing was.

LUMSDEN: The nuclear testing which India and Pakistan have engaged in starting almost two years ago, 1997/1998. What I'm talking about is 1996/1996. Then when the nuclear test and the tit for tat on nuclear explosions and testing came up, the subcontinent suddenly became the most dangerous corner of the world. When you have an $8 billion project with 75:25 debt equity ratio and you're looking for the 75% of the $8 billion to put into Pakistan, things don't look quite like they did.

Q: Was there any possibility of using the Indian Ocean non-national waters to go straight to India? Obviously, India is the star of any project. Pakistan does not have the-

LUMSDEN: Pakistan is geographically there, but India is the real target. Now, on going straight across the Indian ocean, there are still plans to do this. I think the new Dolphin Plan, which the UAE is pushing now, has a straight across the Indian Ocean option. As a matter of fact, the Sultanate of Oman has already spent close to $60 million of technical research on a pipeline across the Gulf of Oman directly to India. The thing is, it reaches over three or four thousand feet deep and you end up with a lead pipe with a pinhole in it. Technically, it can be done, but none of the people who do internal rates of return and things on projects say that it's going to pay. It's another one of those things where the diplomacy of something looks good, but the engineering does not look so good or the geology in some cases does not look so good, as is the case with the Kazakhstan-Caspian-Azerbaijan-Turkey pipeline, which is diplomatically highly favored, but which as of now, my last reading, only had about 800,000 barrels a day of crude oil to put through and the companies need over a million to turn red ink into black ink. Ergo, it doesn't fly no matter the diplomacy.

Q: You had left the IEA in early 1994. You were with this other outfit.

LUMSDEN: I went back to the UAE and worked there. Technically, I was going to be home, they said. I wanted to go home after living overseas for 37 out of the last 45 years. They said, "Oh, yes, you can go home." Well, during the next two years, I was home for four months out of 12 and out for eight months. That would have been in 1994, 1995. In 1996, I started to spend more.

Q: You were there essentially from 1994 through 1996.

LUMSDEN: I was the general manager of the Gulf South Asia Gas Project from March 1994 through March 1997, exactly three years. At this point, it became evident that the project had coagulated or suspended animation. I still have a retainer if it ever comes alive again.

Q: What was your role, working with the Arab governments?

LUMSDEN: I was the general manager of the project. Yes, I worked with the governments. I went out to talk to the sheikhs to get pipeline rights through their territory, but also ran back and forth between these various companies in the consortium holding their hands and trying to keep them on the reservation as things got dicey.

I did not get to the ultimate problem. I've talked about the midstream and the D'Amato legislation that came up and then the India-Pakistan situation. Of course, the supplier of the gas was the state of Qatar, who all along wanted to see proof that this thing would fly before they actually committed the gas. We've got a section of the north field which we can drill on and everything, but the final signature allowing the gas to move was withheld. I've got to hand it to the Qataris. There was always something out of kilter down the line somewhere.

From the point of view of observation in diplomacy for many years, the negotiating teams that we had, I was on, were heavily stocked by other Arabs, particularly non-Gulf Arabs.

Q: Palestinians?

LUMSDEN: Iraqis and Lebanese. No Palestinians.

Q: Very sharp businesspeople.

LUMSDEN: And some Pakistanis. The problem there, as I noted early on and as did our ambassador, Patrick Theros in Qatar, "There aren't enough blue eyes at the table." The Qataris wanted to see westerners, particularly more Americans. The only ones there were myself and the Brown and Root representative and the Canadian fellow who sort of passed off as an American. It's funny. There was certainly an undercurrent of suspicion by the Gulf Arabs of what the wheeling and dealing of the Iraqis and Lebanese and others could be. "If they agree to something I say, I must have said something wrong that they're going to take advantage of." This just permeated the atmosphere of the negotiations.

Q: Did you have a feeling that the Gulf Arabs have a point? One thinks of the international financiers from Lebanon and Iraq. This is obviously expatriate Iraqis and Pakistanis.

LUMSDEN: They were ministers in the royal government of King Faisal in Iraq.

Q: But they don't have the greatest reputation. "Byzantine" is a modern word.

LUMSDEN: Exactly. That part of the world needs so badly to have a business reputation that is not sullied by wheeler dealers. It is so much in their blood. Everything becomes carpet bargaining down there.

Q: And getting the 10% or what have you.

LUMSDEN: That's right. Gulbenkian, Mr. Five Percent. He is the hero of all time. But it was a very, very interesting experience and it brought to me a lot of new tools in the business world which I certainly thank the State Department for making me an economic officer rather than a political officer. Except for the five years being a consul, I spent my entire career either as a desk officer in countries that were economically important primarily or as a functioning economic officer. I am very glad to have done it that way.

We are nearing the end of all this. I might say at the very end, sort of as I look at the difficulties the Department now is having with lost laptops and intelligence agents getting press credentials and whatever they can slam the punching bag of the State Department with that, I hope that this is just a period we're passing through such as we have passed through before. During the 1920s, 1930s, the State Department was not ill-considered. It was just not considered part of anything. As the world changed, it came back and it attracted very talented young Americans into international service. You can't really blame a college graduate now should he look elsewhere than national service in general and the State Department in particular for what he wants to do in the new Information Age. You can't really blame young people for that. It is to me and I think to a lot of them fairly evident that foreign service per se has somewhat deconstructed itself.

Q: It's business and all. I don't know if you saw an article in the Washington Post today which said that both the CIA and the Department of State are essentially getting high caliber people at the bottom ranks - people who are looking at coming in and looking at the business opportunities which might get them two or three times as much. But the work sounds more interesting.

LUMSDEN: That's encouraging.

Q: And we have a very high retention rate. Less than 1% loss, I think.

LUMSDEN: That's encouraging if it's correct. I didn't see it.

Q: I've been following this. We always badmouth ourselves, but money isn't always the turn-on that we think it is. I think we have an awful lot of jobs that are pretty awful.

LUMSDEN: But it certainly wasn't the turn-on for me. I found it very rewarding to do this at the time that I did it. Perhaps maybe I have a somewhat jaundiced view of the idealism of young people. Living in the District of Columbia and seeing all the young

hotshots around, yes, a lot of them are in government. I don't meet too many that are in the Foreign Service and I meet an awful lot that are in the Dulles corridor in the new information economy. I do think we have gotten to the point of deconstructed diplomacy. We are now at the pinnacle of power. There is no other real challenge out there. It's fiddling around at the edges of domestic policy. Everything is what counts domestically. Of course, I am a Foreign Service Arabist, but I have transferred out of that quite a bit. The Arabists have to sort of stand as accused as not being proponents of some of the most passionately desired objectives of a large constituency of true Americans. Why? Because we saw that this impassioned support for these things wasn't always in our view in the best national interests.

Q: We are talking about particularly the Jewish community and its allies, which often are the conservative Bible Belt Protestants for the state of Israel.

LUMSDEN: Absolutely. As a result of this, the State Department Arabists gained the reputation through various newspaper articles of being anti-Semitic. This is a totally bum rap. There may have been one or two vociferously anti-Israel Foreign Service officers who came from the old Middle East Dutch Reform Church missionary background. I won't name names here. And they were brilliant diplomats, great Arabists, and instilled in this tradition that before it led up to the King Crane Commission and all those things back then where the U.S. said we should be balanced. Well, balanced is one thing. Being anti-Semitic is another thing.

Q: You win a game if you are able to name your enemy. I would put it that the Jewish lobby and the Israeli intelligence service, diplomatic service, were able to name people who weren't supporting them fully as anti-Semitic. I don't think it carries as much clout as it used to.

LUMSDEN: Could I define "anti-Semitic?" It's an easy term to throw out. Now, there is what I and I think most of the Arabists see as true anti-Semitism. This is the eugenically-based racial theories that grew up particularly in Nazi Germany and elsewhere, but they also existed to a certain degree in other European countries from France through Russia based upon race. This type of eugenically-based anti-Semitism vested on us the greatest horrors and most abominable acts that we've seen in many, many centuries. Then there is another type of strife between Semites. I'm not using the old saw that Arabs are Semites (We're talking about being anti-Jewish and being accused of being anti-Jewish.) which is based not upon eugenic superiority and the horrors that produced the Holocaust, which are an abomination for all time, but based upon a view of a couple of ethnic groups engaged in tribal warfare. "You're on my land." "The hell I'm on your land. This is my land." "If you don't get off your land, I'm going to do bad things to you." "Okay, I'm going to come back and do bad things to you." That is a different type of... It's a tribal warfare. This is what a lot of us saw in the Middle East.

Not to put too fine a point on it, the State Department Arabist in following his instructions has done at the final, bottom line a great deal more to project American

support for Israel than most other Foreign Service officers ever did - much more than being stationed in Israel itself and just having to say, "Yes, yes, three bags full." We are the ones that carried out the instructions. I guess way back a few tapes ago I mentioned sitting with Wasfi Tell when the '67 War started. I said, "Prime Minister, surely Jordan is not going to go to war with Israel." He said, "You're new here. We are Arabs. You must never underestimate our capacity for illogical action." But this was a constant theme. We were always in there cautioning what was going to happen, how to keep them from overstepping themselves, which, of course, you couldn't do.

To put full cycle on it, I mentioned that I very rewardingly worked with Jewish groups like APAC and the Council of Presidents of Jewish Organizations and all this D'Amato legislation. Just last Sunday, our Jewish neighbors asked us to go to a special commemorative meeting at the synagogue across the street from us. This is the Addas Israel Synagogue. It was going to honor a Greek who had helped Jews during the period of the Holocaust. They told us that they had found this old fellow who had helped them. He was 91 years old and his name is Basilis Presedes. He is coming over and he's going to be honored with some poems. They are going to put his name on the plaque because he saved several thousand Jews during the Holocaust. The name meant nothing to us, but it was Greek and we were always very interested in that because of my father in law's escape with the Jews in Greece.

We got over there and it turns out that this elderly gentleman's nom de guerre was Agerinos, which means "Morning Star" and he was the commander of the Central Sector in Evia during the German occupation and he's the one who saved my father in law and got him out, got him across to Cheshmay. If he hadn't done that, he never would have become a Greek war hero. If he hadn't become a Greek war hero, he would not have become the chief of staff of the Sixth Allied Tactical Air Force. If he had not become the chief of staff of the Sixth Allied Tactical Air Force, his daughter never would have gone to live with them in Turkey, I would have never met her, never married her 39 years ago, and never had four grandchildren. So, what goes around comes around. I have tremendous respect for what the Jews of Israel have done. I think that our assistance for them can best come by a very rational view of what is in their interest and what's in our interest, Iran being a main consideration right now. There has been progress. It ain't solved. It ain't over by a long shot.

Q: We'll stop at this point.

End of interview