

CHAPTER 13: ALGERIA – THE LAND OF “IT’S NOT MY PROBLEM”

1974 Comes To A Close - The Most Stressful Year of My Life

HP FRANCE’S PROBLEM CHILD.....Becomes My Problem Child

During every conversation that I had with Cherif following my return from Saudi Arabia the topic of Algeria had come up.....and now that the distributor meeting was off our plates we finally had a chance to sit together and talk about the problems in Algeria and what we should do about them.

Although Algeria had gained its independence from France in the early 1960’s and for a long time thereafter bad feelings lingered on both sides of the revolution, by the mid -1970’s their relationship had mellowed and the commercial connection between the two countries had become stronger.....but somewhat difficult to negotiate due to Algeria’s socialist bureaucracy. HP France’s sales force was apparently willing to make the extra effort needed to pursue business opportunities in the new Algeria and, once again, the plan to provide customer service was not well thought out.

Before the creation of our Athens office HP France had for several years been selling to Algerian customers, many of whom were successfully supporting their own HP instrumentation products. Computer systems were a different story. To provide support to the two Algerian customers who had purchased computer systems HP France had hired and trained Alain Picard, an experienced Algerian systems engineer, but with no legal status in Algeria (there was no official HP presence) importing replacement parts was nearly impossible. In addition, Algeria’s top-heavy bureaucratic government had made routine international business transactions complicated. In an effort to solve this problem HP France had arranged to temporarily import, in a single shipment, everything that Alain would need to support the two systems customers, but this was only a partial fix as it did not address the longer term on-going need for replacement parts.

To import the single shipment of service materials HP France was required to provide a very large bond to guarantee that all temporarily imported parts and equipment would either be permanently imported and (very high) custom duties paid by a certain date, or returned to France. Of course, HP France wanted their money back and now that HP Athens was responsible for Algeria they insisted that we pay the duties if we intended to retain the service materials. With no long-term solution yet in place, to buy some time we had no choice but to pay the duties (and reimburse HP France for the materials) so that Alain would be able to continue providing service, at least until he ran out of replacement parts.

Even when confronted with all of the challenges associated with doing business in Algeria Cherif did not want to kiss that market goodbye. With its enormous natural gas reserves Algeria had excellent potential for HP, if we could just find a way to operate there. Although not yet ready to give up on Algeria after a lengthy discussion Cherif and I decided to place our business activities temporarily on hold until we could find a local distributor. There would not be any system sales quotations sent to Algeria until we had a lasting solution. Meanwhile, we would move Alain to Athens where he could assist a very overloaded John Inglis instead of remaining in Algiers where he had been supporting only two systems.

ALAIN PICARD.....A Man Of Few Words

Alain, a Frenchman born in Algeria, was hired by HP France in 1972 to be their Algiers based service representative. He was a graduate of the Algerian National Institute of Engineering and Technology and prior to joining HP had spent several years working for the Institut d’Etudes Nucleaires (Nuclear Research Institute) in logic circuit design. In preparation for his new position Alain spent his first six months with HP receiving training on a broad range of HP computer system and desktop calculator products. Upon

returning to Algeria Alain's two highest priority customers were the University of Algiers and INPED, where he installed an HP 2000E Time-Sharing System.

Even after Alain moved to Athens with his family in January of 1975 and we spoke on a daily basis I learned very little about his personal life. Inglis and Nikolakakis were very vocal, open and outgoing. Alain was not. He and his wife, Sami, had 3 young daughters and they stayed pretty much to themselves. They rarely attended any of our social functions even though there were plenty of Alain's co-workers, including my secretary, Anne, who Sami and the girls could communicate with in French. They were just very quiet people. As proof of Alain's reclusive nature he is one of the few employees of whom I do not have an individual photo.

Working alone in Algeria Alain had already proven that he was very resourceful. This was a trait that I needed in all of my service engineers as they would be on their own when traveling throughout the territory. As time passed I realized how very fortunate I was to have found, with the help of my HPSA contacts Tom Lowe and David Lincoln, so many excellent service engineers like Alain who were willing to go anywhere and could repair anything.

SONALEC.....The Algerian "Societe' Nacional Electronique"

Durring Cherif's visit to Algiers he had met with officials from SONALEC, a new organization that had been created by the Algerian government to establish in-country maintenance services for everything from electrical appliances to computer systems. They had expressed an interest in representing HP in Algeria and I found this possibility worth pursuing because a government organization would surely be able to deal with parts and equipment importation problems more expeditiously than a private company. In the hope that SONALEC might be the solution to my Algerian service problems I agreed with Cherif that I should travel to Algiers as soon as possible. This trip would also give me a chance to meet Alain and to break the news to our systems customers that he would be supporting them from of Athens until we had a local solution, possibly SONALEC.

At the time of Cherif's visit to SONALEC he learned that they would be purchasing a substantial quantity of test equipment for their new national service center. When David Baldwin, the HPSA Instrument Products Sales Manager, received this news my life became even more complicated. Although my original plan was to visit SONALEC to talk with them about support for HP's Algerian customers, I would be quickly viewed by the HPSA instrument sales team as their de-facto representative and "SONALEC project leader". They had grandiose visions of selling enough products to equip an entire country level service center and calibration laboratory.....but none of them wanted to actually visit Algeria, one of the "funny countries", to look into it. They wanted me to do it. I planned my visit for the last week of October and because my French language capability was near zero, Pierre Crochard, who was still working for Kurt Aeberli as the HPSA Instrument Service Manager, would accompany me.

Naturally, the day following my meeting with Cherif, Manchec came to me with a request to quote an HP 3000 in Algeria. What a great idea. Let's sell our area's first commercial system in a country where we are having difficulty supporting the two less sophisticated systems that are already there.

TRIP TO ALGERIA

Remembering To Pay Attention To The Bigger Picture

Before departing for Algeria I had a few action items to take care of. I prepared and mailed a service kit list to MEE. Also at this time I asked Panos to look for a service accountant and a parts coordinator for the Athens operation. From my point of view our service business was not receiving an appropriate amount of attention from the general accounting department and with the need for a separate monthly income statement (aka, a Schedule 8) for Iran it seemed like a good time to request dedicated accounting support. In addition to a service accountant we needed someone to manage our growing service kit inventory. The "parts coordinator" would be tasked with the ordering, tracking and restocking our service kits in preparation for the trips of John Inglis, Alain Picard and John Nikolakakis.

Before my departure I also met with Vondjidis to agree on plans for the support of analytical products in Iran, Iraq, and Saudi Arabia. I don't know why I wasted my time on this exercise. Vondjidis spent most of his time trying to get around our agreements and was knee deep in David Shortt's plans to sell mass spectrometers in Iran without the proper planning and funding.

En route to Algeria I would make stops in Geneva and London.

GENEVA

Goodbye to Kurt Aeberli

As Pierre Crochard would be joining me in Algiers the following week we spent some time together developing our strategy for the SONALEC meeting. Also during this visit I attended an end-of-an-era going-away party for Kurt Aeberli. Kurt, the man who had been a mentor to all of the HPSA product type and country service managers and had been extremely supportive and helpful to me, was leaving the company after many years of service. He was a very proud and stubborn man who could not accept the coming changes in HP's management structure, which would have a major impact on all of us the following year.....how much impact none of us were yet aware.

Kurt was a gourmet cook and invited all of us to his cooking club in Rolle, on Lake Geneva about 30 miles north of town, where he and a friend personally prepared dinner for the 25 of us. As it was assumed, and correctly so, that we would all get completely blitzed, a bus was provided to get us to and from Rolle. It was a pleasant but sad evening with a great many stories about the trials and tribulations of building the HPSA service organization. By the time we headed back to Geneva, Kurt Neilson, the service manager from HP Denmark (and a long time friend of mine from his training days at the Customer Service Center) and several others on the bus, were not feeling well. So Kurt suggested that the bus driver stop for a few minutes along the road so that they could have a group barf.



Neilson

To avoid having to hose out his bus, the driver quickly complied. I would not want to have been walking along the Route du Lac near Coppet the following morning. We all survived the evening and so did Aeberli, who went on to found a successful import/export firm focusing onironically.....the Middle East. Unknown to me at this time, I would soon be visiting Denmark to meet with one of Kurt Neilson's customers, F.L Schmidt, an OEM with HP systems already installed in cement processing plants throughout the Middle East. Rainer Dern from Germany was also at the party. I had no idea at that time what an important role Rainer would later play in the development of our Middle East service operation.

A Preview of Things To Come

On the second day of my visit to Geneva I ran into Manchec, who insisted that we have dinner that evening with a business acquaintance of his, Yahya Jafar, and Iraqi. In the early evening Manchec and I drove over to the Hotel du Riviere in my rental car to meet with Yahya. The Hotel du Riviere, which was and probably still is the most expensive hotel in Geneva, is located on the lake just at the point where it empties into the Rhone River. Yahya, who was at the time in the process of founding ElectroMac, an electronics distributorship in Baghdad, was very keen to become HP's system products distributor and had apparently learned from Manchec that when it came to signing up new distributors I was one of the decision makers.

I remember Yahya as a short fellow with a round face and thick dark brown shoulder length hair. He was probably in his late twenties at the time. While preparing this memoir I Googled Yahya and found a recent photo of him.....completely bald. Yahya was raised and educated in the U.K. and seemed to be very well off. In addition to the expensive hotel, he was accompanied by an equally expensive blonde escort whom he had hired in London. At first I thought she might be his wife, but as the evening progressed I learned that she was just along for the ride. I was not sure whether Yahya was a wealthy playboy who just liked to show off or if he was out to make an impression as someone with enough financial resources for HP to take seriously.

After spending some time making small talk it became obvious why Manchec was so keen for me to meet Yahya. Through his business connections in Iraq Yahya said that he could deliver an order for a large number of HP 3000 commercial systems. There were no specifics. Becoming HP's system distributor in Iraq would be his price for setting up the deal. In my opinion this was just another of Manchec's wild goose chases. Although a wealthy oil exporting country, Iraq had been aligned with the Soviet Union for years and didn't even have diplomatic relations with the U.S. at the time. With a few exceptions made for western companies selling specialized products most of Iraq's trading partners were members of COMECON, the USSR's version of the EEC. So, I didn't give Yahya's proposal much credibility. However, realizing that the door to selling in Iraq had been opened slightly for HP by the recent sale (direct from HPSA Geneva) of an HP 9600E (to the Iraqi Nuclear Research Center) and an HP 2000E (to the University of Basra), I told him that we would take his proposal back to Athens and discuss it with Cherif. Note: I later learned that Yahya's brother, Jafar, was the buyer of the HP 9600E. More on the Jafars later.



Jafar

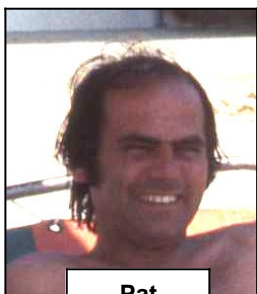
The Pink Pussycat Saloon.....My Patience With Manchec Finally Reaches An End

After drinks at the hotel Manchec suggested dinner at the Tavern du Valle, which was about 15 minutes from the hotel. By the time we finished dinner it was around 10 and after a long day at the office, and still suffering from the after effects of the party the previous night, I was completely exhausted. As we headed back to Yahya's hotel Manchec decided that he wanted to take us to a nightclub known as the Pink Pussycat Saloon. No kidding, that was the name of the place. I didn't want any part of it and told Manchec that I would drive everyone back to the hotel and then they could go wherever they wanted. I was going to call it a night. Manchec, being Manchec, decided that I was going to go along with them whether I wanted to or not. To make sure that he got his way he kept grabbing the steering wheel of the car to get it to go in the direction of the nightclub. After a couple of near head-on collisions and the thought that we could go into the lake while crossing the bridge to the old part of Geneva, I decided that I had better go along with Manchec's plan if we all hoped to stay alive.

In spite of its cheesy name, the Pink Pussycat Saloon was very upscale and apparently a favorite hangout of the wealthy twenty and thirty something Euro jet-setters.....there were two Lamborghini's parked out front. As we went inside I whispered to Manchec that this was his party and I wasn't going to be paying for any of it. The drinks and the cover charge must have set him back several hundred dollars. I didn't want to know. The floor show was what you might expect in place named the Pink Pussycat Saloon.....simulated sex acts disguised as modern dance. I was very surprised that a place like this could be in business in very conservative Switzerland. At 2 a.m., after sitting through two identical shows, I finally convinced everyone that it was time to leave. That episode was the end of my relationship with Manchec. He was just too much of a loose cannon for me to deal with.

Yahya's story about the possibility of selling multiple HP 3000 systems in Iraq turned out to be true, but neither he nor Manchec would benefit from the eventual order. It took many months of negotiations before the order was placed and by then Manchec would be gone. Jafar would receive some compensation for his efforts but would never become HP's system distributor in the Iraq.

LONDON.....A Recruiting Mission



Pat

At the time of my trip there was no Algerian embassy in Athens and although I could have picked up my visa in Geneva I decide to take care of it in London where I would meet Pat Matthews for the first time. Thanks to the efforts of David Lincoln, Pat had inquired about the open medical service engineering position in Athens. He was a senior U.K. medical service specialist and I was very happy to have someone with his experience express an interest in our opening. When I met Pat and



Carol

his wife, Carol, I learned that she was a student of Greek history and was excited about the possibility of living in Greece. Pat was not happy with his current management and was disappointed about his prospects for advancement in the U.K. From his point of view the job in the Middle East would provide a needed change in his career and would also provide he and Carol the experience of living in Greece, a place in which she had a lifelong interest. Pat, who would join us in Athens the following year, would play a key role in backing up the team at the KFSH, supporting the Rashid Hospital in Dubai, the Medical City in Iraq, and planning and supporting many future medical installation in the Middle East. I could not have found a better candidate for the medical service position.

ALGERIA A Very Unpleasant Place

Another Socialist Dictatorship

As popular revolutions brought the colonial era to an end throughout North Africa and the Middle East most former British and French colonies made a sincere effort to set up representative governments, but most failed, making way for military dictatorships. Due to the diverse political and religious influences that existed (and still do) in most of these countries it became impossible to form governments that the fragmented populations could support. Military power (martial law) was the only way to keep society functioning. Unfortunately, most of these military regimes had socialist agendas, probably because the instigators of the military coups were mostly from the rank and file....officers who were not from wealthy conservative families that supported the status quo.....Nasser of Egypt, Qaddafi of Libya and Assad of Syria are good examples. In the case of Algeria it was Houari Boumedienne and Ahmed Ben Bella.

A side note: Regardless of whether their politics are to the right or to the left, secular or non-secular, all autocracies suffer from extreme paranoia. The leaders of these governments view the entire population as a potential threat to their existence. No one is to be trusted. In order to prevent the .00001% of the population who might have bad intentions, criminal, political or otherwise from creating problems, these governments set up tremendous bureaucracies in an effort to monitor and control everything and everybody. This results in an environment of distrust and fear that causes people to be very unhelpful. They mind their own business, they look out for #1, and they avoid any situation that could possibly attract the attention of the authorities. When you hear a government employee who is supposed to be a helpful public servant say, "it's not my problem", you know that you are in one of these environments.....and from my experience I can say that the socialist environments are the absolute worst. When pedestrians step over a person who is lying on the sidewalk and is in obvious distress, you know that you are in socialist environment (or possibly in New York City). I would have my very own unpleasant experience with this ingrained attitude at the time of my departure from Algeria.

A Brief History

Like most of the other countries in our area, Algeria was part of the Ottoman Empire. The way the story goes, in 1830, during a meeting that the Ottoman governor was having with the French counsel general, an argument broke out that resulted in the Frenchman being slapped in the face with a fly swatter (no kidding). This insult led to a French naval blockade and an eventual invasion. Soon afterward Algeria became another French colony. The overextended Ottoman Sultan in Istanbul was apparently in no position to defend his turf.

Over the next century, as many French nationals moved to Algeria, the French government passed laws that benefited the colonists, who were all Christians, and discriminated against the indigenous population, made up primarily of Muslims. Naturally, this caused continual conflict, much of it violent, between the French government and the colonists on one side and the Arab-Berber community on the other. In May of 1945 there was a nationalist uprising against French rule in the area around Setif that resulted in the deaths of as many as 50,000 people. Even though the French government tried to defuse the situation by setting up a bi-cameral Algerian Assembly, with one house representing the colonists and the other representing the Arab-Berber population, it failed because each house thought that the other had too much power. As the discrimination and abuses of the French government continued the nationalists became convinced that independence could not be achieved peacefully. The lengths to which the French

were prepared to go to in an effort to retain their hold on Algeria is depicted in the semi-documentary film “The Battle of Algiers”.

The Algerian War of Independence began in November of 1954. A year later the war escalated dramatically when the Front de Liberation Nationale (National Liberation Front – FLN) met French government and colonist forces in Phillipeville. Thousands died. The war went on for another 8 years until the French agreed to hold a referendum on self-determination for Algeria. Although the “Evian Agreement” guaranteed the religious and property rights of the colonists more than one million of them returned to France to escape expected reprisals by the FLN. That was a good decision. Confiscation of private property, political chaos, vendettas, mob violence and lynchings were commonplace after independence.



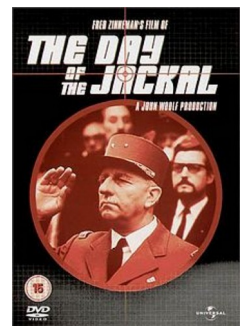
The Battle of Algiers reconstructs the events that occurred in the capital city of French Algeria between November 1954 and December 1957, during the Algerian War of Independence. The narrative begins with the organization of revolutionary cells in the Casbah. Then civil war between native Algerians and European settlers (pied-noirs) in which the sides exchange acts of increasing violence, leading to the introduction of French army paratroopers to hunt the National Liberation Front (FLN). The paratroopers are depicted as winning the battle by neutralizing the whole of the FLN leadership either through assassination or through capture. However, the film begins with a coda depicting demonstrations and rioting for independence by native Algerians, suggesting that although France won the Battle of Algiers, it lost the Algerian War.

The tactics of the FLN guerrilla insurgency and the French counter insurgency, and the uglier incidents of the war, are shown. Colonizer and colonized commit atrocities against civilians. The FLN commandeered the Casbah via summary execution of native Algerian criminals and other (considered) traitors, and applied terrorism to harass the civilian French colonials including bombings. The French forces resort to lynch mobs and indiscriminate violence against the opposition. Paratroops routinely torture, intimidate, and murder in combating the FLN insurgents. The story begins and ends from the perspective of Ali la Pointe, a petty criminal who is politically radicalized while in prison, and is then recruited to the FLN, by the military commander Saadi Yacef, playing a character based on himself.



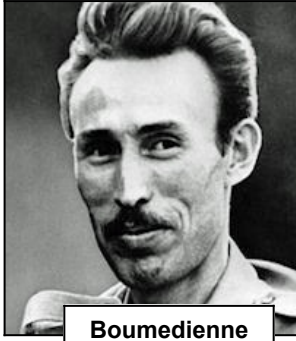
de Gaulle

Even though French President Charles de Gaulle had promised that it would never happen, Algerian independence was finally achieved in July of 1962 and a constitution was adopted by referendum in September of 1963. Another film, “The Day of the Jackal”, depicts the efforts of the OAS (Organisation de l’armee secrete), an organization that used guerrilla tactics to try to prevent Algeria’s secession from French governance, to assassinate de Gaulle. The OAS was financed by French colonists who wanted de Gaulle to pay a price for selling them out.



The film opens with the recreation of an actual event, the assassination attempt on the President of France, Charles de Gaulle, on 22 August 1962, by the militant French underground organisation OAS in anger over the French government’s decision to give independence to Algeria. The group, led by Jean Bastien-Thiry, raked de Gaulle’s car, an unarmoured Citroen DS, with machine gun fire in the Paris suburb of Petit-Clamart, but the entire entourage escaped without injury. Within six months, Bastien-Thiry and several other members of the plot were caught and executed. The remaining OAS leadership decides to make another attempt, and hires a professional assassin who chooses the code name *The Jackal*.

Despite the efforts of the OAS, Algeria became independent and FLN leader Ahmed Ben Bella was elected president. As the new constitution gave the president too much authority the opposition parties soon refused to take an active role in the government. Also, the economy was decimated by the departure of the colonists, who made up most of the educated and skilled labor force. In 1963, in an effort



Boumedienne

to overthrow the Ben Bella government, the opposition parties joined forces to form the Front des Forces Socialistes – FFS. Houari Boumedienne, the minister of defense, crushed the rebellion. Although he was a socialist, the FFS agenda was just too radical for Boumedienne to accept. Continuous disagreements between Ben Bella led to a Boumedienne instigated military



Ben Bella

take over in 1965. There were several attempts to assassinate Boumedienne but they all failed and he was still in charge when I traveled to Algeria in late 1974.

My Visit

Algiers.....My First Meeting With Alain

When I arrived in Algeria Pierre Crochard and Alain Picard were at the Algiers airport to meet me and we spent the first evening just getting acquainted. I had not yet had an opportunity to meet George Grazziani, HP's resident sales engineer, or Alain even though he had been working for me for nine months. The next morning I visited the HP office, which was just a hotel room, and we got into the details of Cherif's plans for Algeria, which he had asked me to pass along to them. In a nutshell, Alain and George both had jobs waiting for them in Athens, but rather than focusing just on Algeria they would now be involved in all of our business activities in the French speaking areas of North Africa as well as Syria and Lebanon. Alain's role was more clear-cut than George's. I wasn't exactly sure what plans Cherif had for George and I doubt that Cherif had given it much thought up to that point, but I had definite and well-defined plans for Alain. If George and Alain agreed to the move we would expect them in Athens in January, about two months out. Due to HP's unofficial status in Algeria George and Alain were both frustrated by their inability to get much done and were quite agreeable with our plans to relocate them.

INPED.....History Repeats Itself

After spending a day at the office with Alain and George the next item on the agenda was to visit our most demanding system customer, INPED, which we did the following morning. INPED was located in a rural area outside Algiers. The trip took about 30 minutes during which time we traveled through mile after mile of very lush agricultural land. I still remember how green everything was and I came away with an understanding of why the French were reluctant to relinquish control of such a beautiful and productive landscape.

During the INPED visit we informed them that beginning in January Alain would be supporting their HP 2000E Time Sharing system out of Athens and to continue to receive service they would need to store our equipment and service kits. This type of system, which normally requires a 4 hours response time, should never have been sold in Algeria without a substantial (and official) HP service presence. Alain's response time would be going from four hours to probably four days, which would cause INPED to complain bitterly.....but after realizing that it was a done deal they decided that by storing Alain's service materials they would at the very least be guaranteed that he would be back.....and they also would have first priority during his visits. It was helpful that Alain, as an Algerian, would not need a visa. In addition, INPED agreed that if replacement parts were needed they would help as best they could with the importation formalities if Alain could not bring them in as personal property. This solution was the best we could manage under the circumstances.

I keep referring to INPED as "they" when we were actually dealing with a single person, Jacques Melis. I was shocked to see him at INPED because he had been my most demanding and disagreeable customer when I worked for HP Canada in Montreal. I had no idea that he was now in Algeria and was INPED's

information technology manager. My previous experiences with Jacques were not good. He was one of those individuals who would spend most of his time complaining about everything, even if he was completely satisfied with HP support, just to see what he could squeeze out of us for free. He was a "high maintenance" customer. On the one hand I was very unhappy that we were going to be reducing our level of service in Algeria, but on the other hand I did not mind at all putting the screws to Melis for a change rather than the other way around. However, he still had the last laugh. I soon discovered that Jacques had already gotten to me by convincing HP France to charge him \$5,000 for his service agreement rather than the \$15,000 that it should have cost. So, I was still going to lose money dealing with him. I asked HPSA's legal counsel, Heinrich Baumann, if we could renegotiate the service agreement and he told me to just forget it. The amount of effort required would easily outweigh the \$10,000 in lost revenue, which could be recovered when the contract was eventually renewed.

Our visit to the University of Algiers that afternoon produced the same results.....extreme unhappiness about losing local support but an understanding and acceptance of the situation.

SONALECA Fool's Errand

On our third day in Algeria Pierre and I visited SONALEC where we met with the general manager, Mr. Beureget, and two of his subordinates. Even though the entire meeting was conducted in French, with Pierre translating, I came away with a positive feeling that we would eventually be able to establish a mutually beneficial relationship with SONALEC. HP would provide them with the products and training necessary to create a national service center and we would have a well-connected Algerian distributor capable of providing fast, high quality service, something that we desperately needed. To help this potential deal get some traction the HPSA instrument products sales organization had authorized us to invite the SONALEC management team to HPSA Headquarters in Geneva. The visit to Geneva would be immediately followed by a tour of HP's Instrument Products Division in Boeblingen, Germany, with Pierre Crochard acting as their host and tour guide. Although the HPSA sales people were anxious to proceed with these plans the SONALEC visit did not actually occur until the spring of the following year.

For the next several months I devoted considerable time to developing an extensive support plan for SONALEC's large service facility. Felix Lazarus, the Geneva Service Center (GRC) manager, and Deiter Berner, my contact at the Boeblingen Parts Center, also spent a significant amount of their time preparing not only lists of the HP test equipment and replacement parts that would be needed to support all of the known HP products in Algeria, but also best-guess lists of what would be needed to maintain other, unknown, but in common use HP and non-HP products. Customized training plans were also prepared for the large number of SONALEC service engineers that HP would be expected to train.

Looking ahead, I met with the SONALEC managers again in Geneva in April of 1975 upon their return from HP Boeblingen to present to them the comprehensive support plan for their future service center. After more than an hour of going through the plan in great detail Mr. Beureget informed me that, contrary to my earlier conversation with him in Algeria, SONALEC had decided that they now wanted a "turn key" solution, not a do-it-yourself solution. They wanted HP to set up their Algerian service center from start to finish. This would have been a great opportunity for a company that specialized in large diverse projects, but not for HP. When their performance was based solely on quarterly results, HP managers would usually avoid expensive multi-year projects. There was always too much up-front investment required.

When I returned to Athens I prepared a report recommending that HP not pursue the SONALEC deal unless HPSA (not HP Athens) was prepared to set up a dedicated team to manage such a large effort, which would have been much larger than our small piece of the King Faisal Specialist Hospital project. After all was said and done no one at HPSA was willing to step forward and commit the resources needed to follow through on the SONALEC deal. In the end, the entire effort was a complete waste of time and money with the only beneficiaries being the SONALEC managers, who were wined and dined by HP while receiving an all expenses paid visit to central Europe.

Leaving AlgiersYou Can Check Out Any Time You Like, But You Can Never Leave

Departing from Algiers, or should I say trying to depart from Algiers, was a nightmare. This was such a stressful incident that I recall every detail even after 38 years. Although I had briefly visited Syria this was my first real exposure to a socialist bureaucracy.

It was a Friday afternoon when Pierre and I arrived at the Algiers airport, which was packed with people, primarily European businessmen, who were returning home for the weekend. Alain and George dropped us at the airport well before our flight departure time and then headed off into the countryside to enjoy a few days away with their families. After leaving us there would be no way to contact them until Monday.

Like many other countries I visited in the Middle East, Algeria had currency controls. Again, these countries were mostly dictatorships that feared that if too much of their currency was floating around on the open market some anti-government organization with bad intentions might acquire a significant amount of it and then try to destabilize the economy. The extreme paranoia that was inherent in these dictatorial regimes prevented them from behaving logically.....most countries with weak currencies like to keep foreign exchange, not give it back at the airport. After exchanging all of our Algerian dinars for Swiss Francs at the Algerian National Bank kiosk and receiving our stamped and very official looking currency declaration form, Pierre and I moved on to the Air France check-in counter.

The Air France check-in for our return trip to Geneva was a breeze and we proceeded to passport control. The line was very long and moved so slowly that we began to wonder if there was a problem. There was. Passport control was a government operation staffed by a typical socialist government employee. As time passed it began to look like even allowing more than an hour to get through immigration was not going to be enough. When others in line began to complain (in multiple languages) that we were all going to miss our flights the immigration official replied "nais pas mon probleme" ("it's not my problem"). When we finally reached the passport control desk it was easy to understand what was causing the delay. After Pierre, who was ahead of me in line, handed his passport to the immigration official it took five minutes for him to receive clearance. To make sure that no one was going to leave Algeria who shouldn't be leaving Algeria the officer studied every page in every passport in great detail before he picked up his exit stamp. The fact that people were going to miss their flights due to his extraordinary diligence did not concern him in the least. He had a job to do and he was going to do it methodically and at his own pace (i.e, slowly). If you missed your flight it was not his problem.

By the time I had finished with the immigration formalities, had passed my currency declaration to another gatekeeper, and reached the boarding gate, I could only watch as my flight taxied away without me. Pierre, my translator had made the flight. I had not. The fellow behind me in line, a German by the name of Klaus, who was also very unhappy about the unwillingness of Air France to hold the flight for us, began to loudly and bitterly complain to the ground crew. I joined him. To quiet us down a member of the ground crew took us back into the check-in area via their private access entrance...without going back through immigration. At that moment we had re-entered Algeria illegally, but this did not occur to us until later.

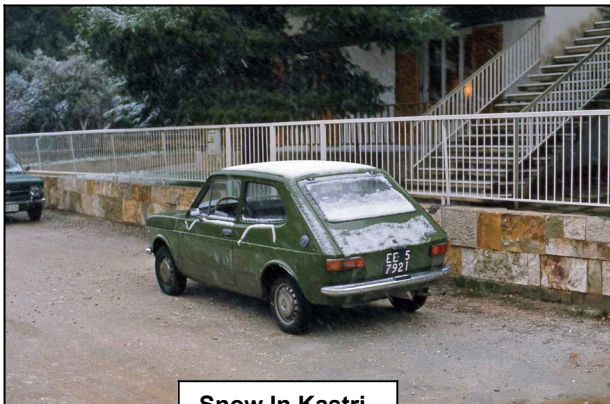
We were desperate. It was late Friday afternoon and the only remaining flight that day was to Marseille on a caravel, the only airplane I have ever seen with heart shaped windows, and a plane with a dubious safety record. Rather than be stranded, possibly for an entire week-end, and illegally in the country, Klaus and I decided to see if we could get seats on the flight to Marseille even though we did not want to go there, especially on that caravel. In Klaus' very limited and crude French, which brought smiles to the faces of the Air France ticket counter staff, we inquired about the flight to Marseille. We were told that it was full but they would put us on the wait list....and seeing the expression of panic on our faces, I sensed that they would do their best, which was very un-French and very very un-Algerian. Another concern was that even if we managed to get seats on the flight to Marseille the slow-motion immigration officer would probably want to know why we were still in the country after we had already officially exited. A good question that neither of us could answer in French.

As hoped, the Air France ticket agent came through with two seats to Marseille and as we got into the immigration line once again we wondered if the zealot who was checking the passports would find our exit

stamps from earlier that day. Klaus was ahead of me in line and made it through without difficulty and after I did as well I was breathing easier until I reached the officer who was collecting the currency declaration forms. Klaus was waiting there for me. We were stuck again. Having already handed in our declarations earlier that day we had nothing to give to the official. When we tried to explain as best we could, his reply was, "nais pas mon problem, no paper, no airplane". I am sure those were the only English words that he knew and, based on what we had just been through, I am sure that he got a lot of practice saying them. When we again tried to explain that he already had the declaration forms it was like talking to a brick wall. A typical government employee, he was fearful that making a decision on his own could cost him his job. He had his instructions and unless those instructions were changed by a higher authority we were not going to be leaving Algeria anytime soon. Just as it began to look as if we were going to be stuck in Algeria, illegally, forever, I saw the Air France ground crew chief walking by in the distance. I yelled at him to help us. Remembering us from the fuss we had made earlier in the day he said something in French to the currency control officer who reluctantly let us pass. That was the end of the ordeal. Klaus and I changed planes in Marseille and made it as far as Basel, Switzerland that evening. The next morning we parted ways and I returned to Athens via Zurich. There are a few places in this world that I have no desire to visit again. Algeria is at the top of my list. I made sure that my first trip to Algeria was also my last trip to Algeria.

OUR FIRST WINTER IN ATHENS.....Some Snow, But Nothing Like Montreal

After my escape from Algeria I was very happy to be back in Athens and looking forward to staying put until the first of the year. I have always enjoyed the changing of the seasons and in that regard life in Greece reminded me of home. The climate in Athens is very similar to Northern California. Perhaps a few degrees cooler in the winter due to its location at the tip of the Balkan Peninsula, and being situated on the Mediterranean made it slightly warmer during the summer. Once or twice every winter we would get a dusting of snow, which would really snarl traffic going into Athens, but after two years of living in Montreal and dealing with snow six months of the year the snow in Athens was more of a novelty for me than an inconvenience.



Snow In Kastri



Snow In Kastri

PERSONNEL CHANGES

Tony Gunn.....A Refreshing Change

When I returned to the office I learned of several personnel changes and additions that had taken place during my short absence. Jean Marie Manchec had been replaced by Tony Gunn, from the U.K. This was a blessing. Although Manchec would stay on for awhile as a sales engineer, all of the planning for our systems business would be handled by Tony, who in that regard turned out to be just the opposite of Manchec. Tony was mild-mannered, focused, organized and always kept his word. A very frugal guy when it came to spending the company's money, Tony never did establish an expensive formal



Gunn

residence in Greece. He was a bachelor and preferred to just rent a room at the Theoxania Hotel, next to the office, where he negotiated a monthly rate. He lived there for three years when he was not traveling. He also turned his nose up at having a company car, preferring to drive his MGB rather than an Opel.

In addition to Tony there were two other new arrivals: Leif Arvanus and Mohammed Hatoum.

Leif Arvanus..... An Inauspicious Beginning

Leif was from HP Sweden. He was brought in to take charge of accounting and commercial services, reporting to Panos, but would eventually move on to HP Iran with several other people from the Athens office. My interaction with Leif was fairly routine and I don't recall anything noteworthy about our relationship. However, I do remember quite a controversial meeting that he conducted with the expatriate employees soon after he arrived in Athens.

Regardless of their point of origin, all of the expatriates who had transferred to Athens were placed on the HPSA payroll, probably to keep the accounting simple. At about that time the Swiss Franc began appreciating against other currencies. The expats loved this windfall. Paying their bills back home became a lot less painful. In my particular case, my salary increased by about 150% in terms of the U.S. Dollar as the Swiss Franc appreciated from 3.3 to the U.S. Dollar to 1.3 over a period of about a year. As the Franc continued to gain strength HPSA management decided that they could save money by forcing all of us to accept 50% of our salary in Greek Drachmas. Leif was the unfortunate bearer of this "trial balloon". The meeting lasted as long as it took the expats to remind Leif that the Drachma was a "soft" currency that was unconvertible.....basically worthless outside of Greece. The meeting was over and the attempt to cut costs at our expense was never brought up again. The meeting with Leif surprised all of us. At that time in HP's history it was uncommon (actually, never) to see the company cut costs at the sole expense of the employees. If sacrifices were necessary they were always shared. How times have changed.

A side note: I would like to mention here that after Hewlett and Packard passed away the engineers who ran the company were gradually replaced by bean counters (accountants). The bean counters' dominant role in the company's upper management ranks led to the view that employees were no longer partners in success, they were simply "human resources." Prior to the departure of H & P the company was focused on creating value for customers, shareholders, and employees. After H & P the focus switched to creating value for customers, shareholders and upper management. The change was very apparent in the 1990's as management began to cut employee benefits. The last straw for me came in the late 1990's near the end of HP's halcyon days. HP was doing very well at that time (before Carly Fiorina, Mark Hurd, et al.), which meant generous profit sharing checks were distributed to the employees as a reward for their contribution to the company's success (which was H & P's intent). From the bean counters point of view why waste all of that money on their human resources when it could be used to buy back company stock, which would result in higher share prices, which would increase the value of the upper management's mega stock options. So, they conveniently changed the profit sharing formula, one that had worked quite well for more than 30 years. The new formula set the bar so high that at the end of next profit sharing period the employees got nothing. That was when I retired.

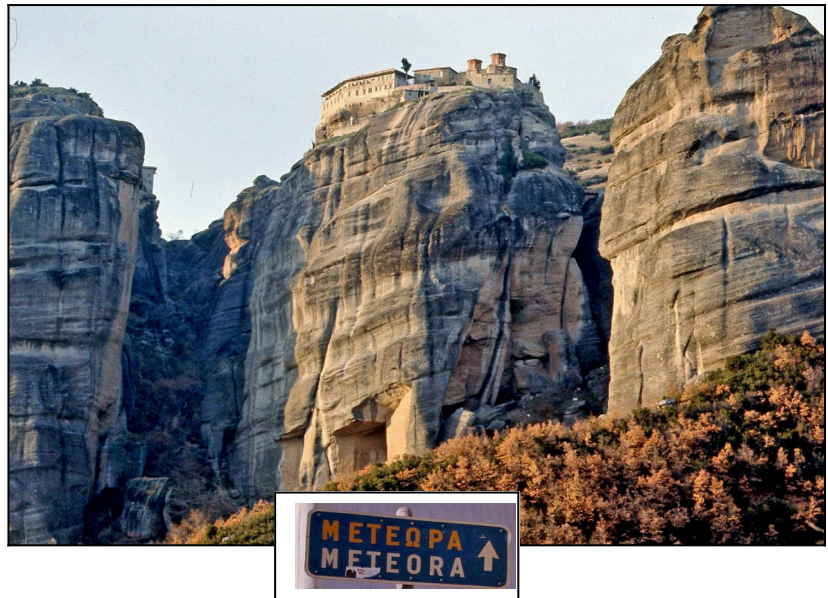
Mohammed Hatoum.....Athens Was Just A Temporary Stop Over On His Way To Beirut

Earlier in the year Peter Merkel had hired Mohammed Hatoum, a recent graduate from Georgetown University, to join the Athens Medical Sales group. Mohammed was from a very wealthy Palestinian family in Beirut. When he arrived in Athens in November he brought with him a new Chevrolet Camaro, which was totally impractical in Greece, and his new bride, Daisy, who was equally impractical. Poor naïve Daisy. Like so many other young, pretty and blonde American and European women, Daisy was soon to learn that just because Arab men can be absolutely charming, rich and good looking doesn't necessarily mean that they will make good husbands. Quite the contrary. After they are married the charming part always seems to disappear. I recall that one evening Mohammed got angry with Daisy and locked her out on their apartment balcony.....completely naked.

Due to his family's wealth and connections in Beirut we all wondered how long Mohammed would be satisfied working for HP as a sales engineer....and why Merkel would hire someone and move him to Athens when it should have been obvious that the guy would most likely leave HP in short order and return to Lebanon.....which is exactly what happened. After a few months in Athens Mohammed packed up Daisy and his Camaro and moved back to Beirut. The last time we heard from Mohammed Hatoum he had an office in the Hatoum Building on Hatoum Street in Beirut.

MY HEALTH PROBLEMS.....Put A Damper On The Holidays

In mid-November I began having severe digestive problems. My first thought was that I might have picked up an intestinal parasite in Algeria. Hoping that a little R&R might help, over the Thanksgiving holiday (which the Americans celebrated using their vacation days) Joella and I drove up to Meteora, which was about 5 hours north of Athens. As Meteora is a fairly remote place I found it interesting that it turned up some years later in the final scenes of the James Bond movie, "For Your Eyes Only", and also in a movie called "Sky Riders". As the Meteora trip did nothing to improve my condition I made an appointment with a local doctor and medical lab to see what they could find. When nothing obvious turned up HPSA sent me to the Schwiez Tropeninsitut (Swiss Institute For Tropical Diseases) in Basil, Switzerland. After more testing I returned to Athens to await the results.



THE CHRISTMAS PARTY.....Everyone Is Excited, Except Anne

During my absence the management team decided to organize an employee Christmas party at a very fancy upscale restaurant in Athens. It would be entirely paid for by HP. The Greek employees, especially the women, loved this idea and that was all they talked about after it was announced. As previously mentioned, they had all taken a liking to Anne, but at this point in time she had not yet warmed up to them. Anne was still in her anti-social mode. Almost everyday one of the women would ask Anne if she would be going to the Christmas party and even though she would always reply in the negative they kept asking. After a week or so of being pestered, Anne was completely fed-up with all of the Christmas party excitement and no longer wanted to hear about it. One morning in early December I was summoned to Cherif's office by Lee Couvela just as I arrived for work. Cherif said to me with a frown, "You will have to have a talk with Anne". I said, "Okay, what's the problem?" "Well", Cherif said, "This morning I stopped by Anne's desk to ask her if she planned to go to the Christmas party". Cherif then said, "She told me to get back on my fucking camel and ride out". Then he added, "I think she's frustrated. I want you to take her out to lunch and screw her". That was the end of the conversation. No, I didn't and Anne did go to the party and actually enjoyed herself.

In the end, I was the one who did not go to the party. By the night of the Christmas party I had come down with a very bad cold and decided to pass. Phil Pote's wife, Gill, was expecting their first child and in her uncomfortable condition (very big) also decided not to attend. So, Phil told Joella that if she wanted to go he would take her along. After giving it some thought she decided to stay home with me. This was a very good decision. By the time Phil left the party he was completely wasted. While driving home in the small hours of the morning at a high rate of speed through the empty streets of Athens.....and through all of the

traffic signals..... Phil managed to hit a curb and flip his new Alpha Romeo convertible coupe. Some of the other party-goers passed by just as he was crawling out of the smoldering wreckage. According to Phil, the Eagles "Life in the Fast Lane" was still playing at full volume on the car stereo. His first comment was that he was all right. That was followed by a remark regarding how fantastic it was that the car stereo was still playing so that he could have some entertainment while waiting for a tow truck. Of course, there were no police.....after all, we were living in Greece, it was 3:00 in the morning and the temperature was about 35 degrees. The next morning we all went down to the local garage to check out the damage. The passenger side of the car was totally destroyed. If Joella (or Gill) had been along for the ride she most likely would have been killed.

THE END OF OUR FIRST YEAR IN ATHENS

During the final days of 1974 several other notable events, both good and bad, took place. First the good news. Masoud Ali's help in landing the Rashid Hospital order in Dubai got him what he wanted..... EMITAC (Emirates Trading and Contracting) became our official U.A.E. distributor. Also, at about this time HP made the decision to provide product service kits at no charge, which was a decision that made my life so much easier and less expensive.....and was very beneficial to our distributor development program. Another bit of good news was that I obtained the approval to move Claude to Athens the following summer after he had completed his KFSH assignment in Riyadh. I was surely going to need his help, especially in the French speaking countries (I gave him Algeria!), as we began locating and developing more distributors.

The first bit of bad news was that Pierre Souccar was becoming a management problem. After his arrival in Riyadh in September following his year long training program at the Medical Division in Massachusetts, Pierre began making demands regarding his salary, living arrangements, etc. I would not go so far as to call it extortion, but it was clear to me that Pierre was under the impression that he had us by the balls because of the important role he was playing at the KFSH. I was able to eventually straighten him out, but Pierre was a malcontent and habitual complainer and remained a problem employee for the entire time I was in Athens. More bad news came in the form of inter-corporate billings for all of the KFSH support equipment and materials that were beginning to arrive. We had not yet received any income from the project to offset the cost and this would have a big impact on our financial performance.

Another bit of news that would turn out to be bad, especially for me, was the announcement from Geneva that the company's management structure would be "verticalized". Except for upper HPSA management no one at that time knew exactly what this term meant, but we would soon find out. Beginning in 1975 I would have six new bosses in Geneva.....and have a better understanding of why Kurt Aeberli had resigned. Much more later on "verticalization".

Another piece of news that could be viewed as either good or bad was that my tests at the Tropen Institute had failed to find any medical reason for my intestinal distress. That news was both encouraging and discouraging as I still had severe symptoms accompanied by weight lose. In January, I would be heading back to the U.S. to receive medical treatment in Palo Alto. ■

