

THE ELMER WINTER ...

"YOU OUGHT TO KNOW GAZETTE"

100 Manpower Place
Milwaukee, WI 53212

Tel: 414-906-6250
Fax: 414-906-7878

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Dear Friends:

I MADE A BAD MISTAKE.

I apologize for closing down CEGI on December 22, 2007.

I thought I had good reason for doing so ... which I explained in my "greenie" to you dated December 20, 2007.

So why am I apologizing??

Answer: To be very candid, I didn't take into consideration the needs and desires of the 2,300 recipients of my "greenies" to get up to date information that they could use in their discussions ... taking positions, deciding on making investments in Israel, support for Israeli companies seeking support in U.S. markets, etc., etc., etc. I thought that others were providing this information, but, I guess not in detail as I was informing, via CEGI.

I misread the need for CEGI which was described to me in a flood of letters suggesting the following. (Permit me to brag a little. When you are 96, you grab whatever accolades are available.) See Appendix A, attached.

Perhaps some of those who wrote to me were just being nice to me ... but, I sensed an unfilled need for more "greenies".

So let me say ... despite my age (96) ... I believe that I still have the energy, the desire and the passion to help build this great country called "Israel". So I should stay connected. Also, I was encouraged to get back into helping you understand the "comings and goings" in Israel because I passed my driver's test which permits me to drive my car to my office at Manpower Headquarters every day until I am 104. Can you believe this?

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So what's my suggested plan to keep you informed? I won't bring back CEGI in its original form ... it's dissolved ... but, I will periodically share with you ideas, suggestions and reports that you may have missed. I'll report on policy changes that affect U.S. companies operating in Israel.

(I won't be political. I'll send information to you on "business to business" ideas, problems, etc.) You will receive exciting business news that will give you a great sense of "Israel on the move".

We won't have a CEGI structure ... boards, dues, bi-weekly letters. But, you can expect to hear from me in a new "greenie" called "The Elmer Winter, 'You Ought to Know Gazette'".

Here is Example #1: The revival of the Red—Dead Sea Plan and what it means to peace for the Israelis.

This is a tremendous plan. Hopefully, this time it has the power behind it to see it come into existence. On the next page is some information on the plan ... let's hope.

From Red to Dead

Dramatic new regional support has been registered
for the \$3 billion canal plan linking two seas

BY JUDY SIEGEL

A group of Israeli and foreign businessmen and bankers are finally ready to build a \$3 billion canal between the Red and Dead seas, desalinating the water, producing hydroelectric power and yielding profits, clean water, jobs and potentially unprecedented regional cooperation.

The project could create work for a million Israelis, Palestinians and Jordanians, draw eight million tourists a year to Israel, and produce a billion cubic meters of desalinated water.

Jordan's King Abdullah II and Saudi Prince Walid bin-Talal have already given their enthusiastic endorsement of the project, according to its initiators.

The dramatic Valley of Peace initiative in the Arava was unveiled on May 15 – the 60th anniversary of Israel's Independence on the Gregorian calendar – by 57-year-old Israeli billionaire Yitzhak Tshuva, owner of the El-Ad Group that includes Manhattan's Plaza Hotel and Delek, Israel's second-largest oil and gas company.

With inspiration and involvement from President Shimon Peres, the project needs only government approval, as Tshuva said that tycoons such as Shari Arison, Nohi Dankner and Stef Wertheimer have all committed themselves to investing money in the project.

No state funds will be needed, Tshuva told *The Jerusalem Post* after his emotional speech during a luncheon at the Presidential Conference 2008: Facing Tomorrow at Jerusalem's International Convention Center.

Tshuva, who sat with Peres along with other leading business people, said that the 166-kilometer-long canal between Israel and Jordan

would be only the beginning. The planned Valley of Peace through the Arava would be developed to include tens of billions of dollars worth of hotels (with 200,000 beds) and other tourist attractions, clean industry and one of the largest botanical gardens in the world – providing a million jobs.

It would quadruple tourism to Israel from today's two million annual visitors, he said. The billion cubic meters of desalinated water it would yield would make the Arava green on both sides of the border, said the real-estate and fuel tycoon as Peres smiled broadly. Greenhouses would raise winter fruits and vegetables and sell them in the region and abroad.

The area would, according to this "amazing vision," be turned into a free-trade zone, attracting investment from around the world. A high-speed railway line and highway would run alongside the canal, transporting people and goods between the Dead and Red seas within an hour, according to a sophisticated audiovisual presentation shown to the audience.

"This is the only way to get out of the cycle of violence and the dead end in the area," continued Tshuva. Jobs and prosperity, he maintained, would moderate Arabs in the region and give them an alternative to violence and terror. "Peace will be made not by peace agreements but by making cooperation and goodwill among the peoples of the region. The Valley of Peace will provide a solution for generations to come."

Not only did the Jordanian king tell Tshuva that he wants to be an "active partner" in the project and wanted it to "start immediately," but Saudi Prince bin-Talal, who visited him at the Plaza Hotel in New York, said he was ready to invest in the project via Jordan. Tshuva expects investors in other coun-

tries such as the US, China, Japan and Russia to participate in handling it.

A "Valley of Peace Law" would be required to pave the way for the canal, "which can be built two years after the earthmoving machines are brought in. I know. I have experience," Tshuva declared. He also delivered a short message in Arabic to highlight his interest in Arab cooperation in the project.

Asked by this reporter – who covered the late prime minister Menachem Begin's Knesset dinner some 30 years ago when he announced a plan for a "Mediterranean-Dead Sea Canal" – about previous canal plans that never took off, Tshuva said such a horizontal canal would not work "for various reasons" but that the climate today makes a Red-Dead Sea canal possible.

The hundreds of people at the luncheon gave Tshuva and Peres a standing ovation.

Leon Recanat, former chairman and CEO of the IDB Holding Company and now head of a private investment company, told the *Post* that if "ecological and other data proved positive and it were regarded as economically worthwhile, such a canal would be worth investigating." As for himself, Recanat said he would not invest in it because "I am doing other things." ■

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Let's hope that Yitzhak Tshuva can put this plan into existence.

“Sources inform *Globes* that *Delek Group Ltd.* (TASE: DLEKG) controlling shareholder Yitzhak Tshuva has offered former Israel Securities Authority Chairman Moshe Tery to head the proposed Red-Dead Seas canal project on his behalf.”

“The cost of the Red-Dead canal is estimated at \$5-6 billion, of which \$3 billion would be needed for digging the 170-kilometer canal through the Arava Valley. Project planners foresee the construction of joint Israeli-Jordanian resorts, Free Trade Zones and desalination facilities along the route of the canal. The desalination facilities would produce 900 million cubic meters of water a year, half of which would go to Jordan and the other half to Israel and the Palestinian Authority.” (*Globes*, May 22, 2008)

What's next? Here is what you should watch for in your mail.

Example #2: *My admiration of Shimon Peres. I will reflect on his accomplishments.* This will be the next “greenie”.

Example #3: *Israel's achievements which make us proud.* I refer to Mortimer Zuckerman's Op Ed piece in *U.S. News* (May 16, 2008) entitled “*Israel's Historic Achievement*”. This is a well thought out and expertly written column you can use to support Israel.

I'll share his response. This will give to you ... as it did to me ... great respect for Israel, its warranted place in the world and how we can help defend Israel. *It will be worth your time to read Zuckerman's Op Ed piece that I will be sending to you.*

These are three samples of what you can expect in subsequent “greenies”. I hope that you will find my occasional “the way it looks to me” reports help you keep well informed as to the dynamism of Israel's economy.

What do you think? Do you want to stay connected?

Best to you,

Elmer

Elmer L. Winter

ELW:ca/mg/bd

P.S.: Watch your mail for future “greenies” containing Israeli information you want to know.

Remarks on Closing of CEGI

(Pardon my lack of humility ...)

Bernard Abrams says:

I am saddened by your desire to retire, but you do deserve a rest. I will miss your urgent reports for help ... I want you to know that I think, if we had more Elmer Winter's in the world, the world would be a better place to live in.

Jim Appelbaum says:

As an investment banker working primarily with Israeli companies over the past 18 years, I enjoyed the perspective that you brought to promoting economic development in Israel ... You did great work with CEGI and I will miss your letters.

Dan Bavly says:

At first it was incomprehensible for me and then I was saddened to grasp that you were actually closing down your newsletter. You certainly produced an outstanding publication, one that I have for many years enjoyed reading.

Joseph Ciprut says:

We have been receiving your CEGI newsletters for years and are grateful to you for the optimism it has been conveying to us. It is with a degree of sadness we received your closing letter of January 31 ... thanks for your valuable contribution, and all the best for your future endeavours (we trust in your promise to keep ahead of developments, and make yourself heard whenever necessary for Israel's development).

Your newsletters had a message of optimism which made them always comforting to read and we shall miss them.

Aphrodite Clamar-Cohen says:

I understand why you're closing down CEGI, but it doesn't make it any easier to think of a future without CEGI – all the years that I have known you, you were CEGI – You breathed it, wrote it and made it the important entity that it is!

Herbert Cohen says:

You must have made Yitzhak Rabin a happy fellow and a very proud one – he picked a "WINTER" and got himself a "WINNER"!

Leon Davis says:

You have done such a great job with CEGI that I heard they were going to change the name of Israel to Elmer Winter's Country, but some of the radicals objected.

Yehuda Dominitz says:

I must confess: I received your "greenie" letter of December 20th 2007 with mixed feelings – my mailbox will miss your CEGI letters and I don't see anyone taking over this important mission to spread all over the importance and need of strengthening Israel's economy ... Thank you, Elmer, for all you had done and will be doing for the wealth of Israel.

Shalom Doron says:

Now it can be told that there were numerous times in the course of 31 years when things here looked very badly (there was more than one such period in the course of the years, maybe there were too many) when I looked forward to receiving your CEGI newsletter in order to realize that there are also positive developments which will help the country to overcome the black days. Not only did I read them once or more, but when meeting with friends or some visitors from abroad, when the sad situation of that time in Israel was discussed, to counter their pessimistic arguments I drew out some of the positive information which was so convincingly presented in your CEGI letters. It was very interesting what happened. Some of those present knew in general, more or less, from the local papers and other publications, but when one presents the same news in a focused fashion, the way you have been doing it, it makes a quite different impression.

Lawrence Goodman says:

I'm certain, however, that the momentum created by your inspiring messages on a consistent basis, will continue to be a strong influence far into the future. Your visionary strength will serve to strengthen aspiring visionaries for many years to come.

Rami Gutt says:

I want to take the opportunity to express my personal appreciation, not only for this initiative of yours, but also for the long lasting assistance you have granted to the Export Promotion establishment, and to the individual Israeli exporters during very difficult years for the Israeli Exporting community.

Thomas Herman says:

The periodic CEGI letter, with the big, bold "Chairman's Report enclosed" blue stripe on the cover envelope, was always a very welcome sight in my mailbox. I tried to read every Report, and always learned from it something I had not known before. Furthermore, I was always stimulated by what I learned and more hopeful about the matters covered by the time I got to the end of the Report than I was at its beginning.

Robert Lifton says:

You have made a great contribution to the State of Israel and related to that to the status of Jews throughout the world with your dedication and success in publishing CEGI. Now, that you have decided to discontinue the program, you can take credit for all that you have accomplished.

Norman Lipoff says:

... you should take great pride in creating a vehicle for the economic development of Israel when almost no one else was focusing on that subject. You have continued to be devoted to the economic development of Israel through CEGI over more than 30 years and you have certainly earned your retirement from CEGI. Fortunately, economic development in Israel is very vibrant and more and more companies and individuals are investing in Israel.

Stephen Marcus says:

Your efforts on behalf of the economic growth of Israel will be sorely missed. Also, I am delighted that you will continue to weigh in personally on important matters regarding Israel.

Bob Mednick says:

No other American has done nearly as much as you have to build the economy of our beloved Israel and you should be extremely proud. It has been a sincere pleasure for me to watch a master at work for the past decade. I have learned an enormous amount in the process.

Frank Schochet says:

No one can measure the help you have been to the economy of the State of Israel. Help such as you have given is cumulative, and we will see the results year after year for years to come.

Alan Schonberg says:

So, upon your closing the doors at CEGI, I just wanted to send you this note to tell you how much I've admired the work you've been doing all of these years and the awesome record you've established over 31 years of biweekly letters to over 2,000 business folk around the world, the 800 quarterly letters to Israelis and the 950 quarterlies to U.S. CEOs ... Elmer, you are a phenomenon, more than a man for all seasons – an icon, a legend and I know that a multitude of Jews in the U.S., in Israel and around the world join with me in sending you our respect, admiration and affection.

(Phenomenon: I ain't, but I hope you won't mind my sharing thoughts of some admirers (not related) with you ...)