By the time this column appears, Congress will have either passed another continuing resolution for Fiscal Year 2011, shut down the government, or agreed on a budget that may impose a nearly 25-percent pay cut for our Foreign Service personnel serving abroad by abolishing overseas comparability pay.

How should we look at such a pay cut, should it materialize? At one level, this measure, however miniscule its effect on federal spending, and however severe its impact on the affected individuals, will be justified as part of the effort to reduce the massive budget deficit. But on another level, which should not escape the attention of lawmakers, the measure will have grave implications for the Foreign Service as an institution, as well as for our national security.

The fundamental question is this: What impact will such a measure have on the Foreign Service? Will the institution be able to attract and retain the strong, professional and dynamic corps of diplomats and development experts that we need to serve our national interests in the future? There should be little doubt that this measure will instead emaciate the spirit of this vital institution.

Effective diplomacy averts the need for costly military engagement, potentially saving taxpayers billions of dollars. Unless we dismiss this proposition as mere academic musings, does it make sense to cut the pay of the diplomats and development experts who are taking on tough, risky assignments all over the world, from Mexico to Egypt and Pakistan, from Sudan to Zimbabwe, and side by side with our military in Iraq and Afghanistan? A pay cut on this scale will depress the morale of Foreign Service personnel serving abroad even if they are primarily motivated by altruistic considerations ranging from patriotism to a deep interest in foreign affairs.

In 1990, Congress passed the Federal Comparability Pay Act (5 U.S.C. 5304(c) (4) (B)). As a consequence of this legislation, the Foreign Service pay system diverged into two separate structures — one for those serving in the United States which includes locality pay; another for those assigned abroad, which does not. Since 1990, the Washington, D.C., locality rate has grown to nearly 25 percent. A 2006 Government Accountability Office study confirmed that the steadily increasing domestic locality pay rates had created a growing financial disincentive for overseas service. AFSA’s efforts to draw attention to this gap led to hard-won congressional approval for overseas comparability pay, starting in 2009.

Some argue that housing and allowances compensate for comparability pay, but that is a different issue. Allowances and differentials are marginal and temporary, and are not included in base pay, which determines pension benefits through a combination of a fixed annuity, Social Security and the Thrift Savings Plan. Discontinuation of OCP will reduce base pay and therefore both individual and federal levels of contributions to Social Security and TSP. Thus, the penalty for overseas service is both immediate lost income and lower overall retirement benefits.

The remedy is for Congress to authorize federal employees who serve overseas to receive salaries that include Washington, D.C., locality pay as the basis for calculating taxes and retirement income, thereby restoring a single, basic Foreign Service compensation system. What types and levels of allowances and benefits are then justified and affordable after basic salaries are regularized is a legitimate question, but one that should be examined separately through the authorization process.

Certainly we must all do our part to reduce the national deficit. But pulling the plug on the longstanding effort to remove the growing salary disincentive to overseas service will degrade the U.S. government civilian service as a key instrument of national power — one that promotes our interests abroad and functions as our first line of defense.