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Subscription to the *Journal*: one year (11 issues), $7.50; two years, $12.00. For subscriptions going abroad, except Canada, add $1.00 annually for overseas postage.

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LETTERS

Overseas Communication

I read the January issue of the *Foreign Service Journal* with great interest. I was particularly pleased with the candor of many of the articles. However, I read with great frustration the following statement in your editorial: "Utilization of modern computer and communications technology has fallen as much as 20 years behind the state of the art as modernization projects are deferred year after year." I believe that such ignorance of readily available facts is unconscionable. I would, therefore, like to set the record straight for the enlightenment of your editorial staff and the readers of the *Journal*.

First: The first digital, automated, real-time message switching system programmed to handle Allied Communications Procedure 127 was installed by ITT in the Embassy in Paris in 1961. It was used as a standard for other government network switching systems for many years.

Second: The first totally automated message terminal (ATS), developed by ITT, using state-of-the-art equipment and concepts, went on-line in the department in 1967. This system used concepts which were judged by the Director of D.C.A. and the National Communications System as "10 years in advance of anything operating at this time." Many of these concepts are widely used by many government agencies today.

Third: The first direct on-line interface between an optical character reader and an on-line, real-time message switch was achieved by the department in 1968. This technological break-through is now widely used throughout the government and industry.

Fourth: The first on-line, totally automated reproduction and collating system was developed through the cooperation of Xerox Electro Optical System and the department,

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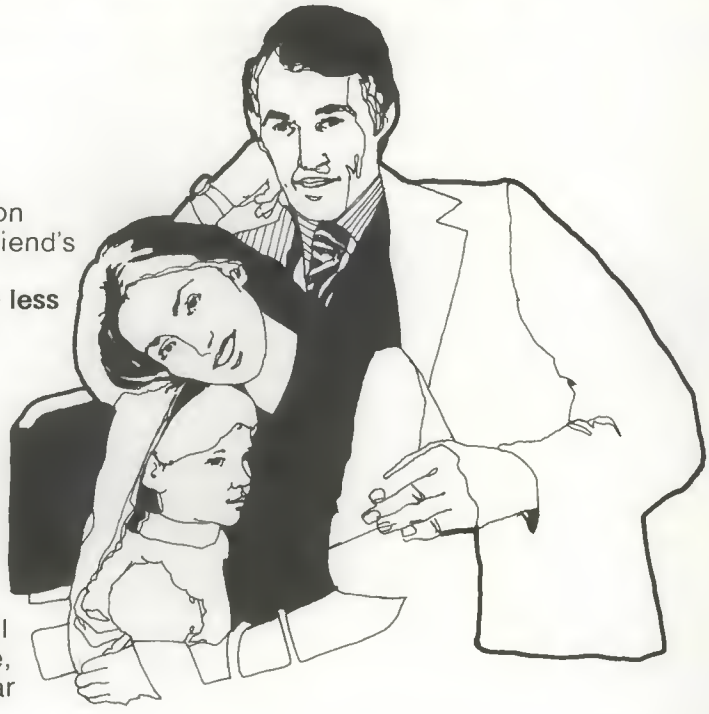

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and was activated in the department's Communications Center in December 1977. This system married the technologies of lasers, xerographic reproduction, and message switching, eliminating backlogs, errors, and a large number of positions. This system is now widely used throughout the government.

Fifth: Approximately 60 embassies are now equipped with on-line automated terminals consisting of video displays for editing and distribution, electronic mass storage, high-speed printers, and optical character readers. This program is on-going and is very much in advance of any terminals used by the military or other agencies.

Sixth: At the present time the Office of Communication (OC) is upgrading the automated switch in Bonn. This switch was placed on-line in 1971 and has provided outstanding service to many embassies in Africa and Europe.

Seventh: At the present time OC/T is undergoing a cutover to transfer the ATS to state of the art message switching equipment (ADP-15), which will greatly improve the processing speed and capacity.

Eighth: OC is currently planning a system to install extremely high speed circuits (9.6 kilobits of information per second) in those embassies with telecommunication services to accommodate them.

Those are a few of the programs activated by OC to improve communications between the department and its field posts. These programs resulted in a reduction of approximately 110 positions in OC and 30 overseas, while traffic increased 200 percent.

There are some very real inhibitors to establishing communications between the department and embassies:

The Geneva Convention governing the diplomatic intercourse between nations forbids the installation of a radio transmitter in a host country without permission of the government of that country. The Military Status of Forces and Base Rights Agreement uses a very different set of ground rules.

The United States Communications Act of 1934, as amended in 1962, authorizes foreign governments to "install an HF radio station in or near their embassies, operating at low power (less than 1 kw) to destinations external to the United States, providing reciprocal operations are approved." Many governments are not interested in operating radios in Washington. OC has made many unsuccessful attempts to get legislation through Congress to change this act.

Therefore, the United States cannot arbitrarily install and operate these types of facilities in foreign countries.

The State Department Office of Communications has always pushed the "state of the art," and has run at the vanguard of modern communications. Its inhibitor has not been funding. In a greater sense, it has been legalistic.

OC has been responsive, and, at times, perhaps overly so. For example, within less than 36 hours after the fire in the Moscow Embassy was detected, OC located equipment, dispatched technicians, and restored secure on-line communications with the same capability as the destroyed ComCenter. The Ambassador, specualting that at least three weeks would be required to accomplish this restoration, so advised the press. Because of his preoccupation with other matters, he did not realize that at that very moment his ComCenter had already been restored and was ready to serve. Sometime later I met the Ambassador. He indicated that he had occasion to regret OC's rapid reaction, because it placed a burden on him and his staff to report regularly the status of the situation.

The Department of State has for many years enjoyed the most modern communication facilities in the government. It is by no means "20 years behind the state of the art."

WILLIS E. NAEHER
Deputy Assistant Secretary of State for Communications (retired)
Fairfax, Virginia

Racial Quotas

The Equal Employment Opportunity Office has recently sent out, apparently to all members of the Foreign Service, a brochure including Standard Form 181, "Race and National Origin Identification." Recipients are asked to categorize themselves as "American Indian or Alaskan Native"; "Asian or Pacific Islander"; "Black, not of Hispanic

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Origin"; "Hispanic"; or "White, not of Hispanic origin."

This travesty of American political values parallels the *Rassenkunde* of the Third Reich. Like the Hitler procedure, it is designed to discriminate among races in the pursuit of political objectives.

The purpose of the contemporary American procedure presumably is more benign than was Hitler's. It is to better establish racial quotas and to hold various elements of the Department of State personnel system hostage to them.

These kinds of statistics, showing statistical differences between racial representation in the Department of State and in the population of the country at large, say nothing about the origins of the differences, and therefore say nothing about the existence or non-existence of racial discrimination. For the contemporary advocates of what is euphemistically called "affirmative action," games with numbers have taken the place of any serious understanding of the dynamics of American society.

The method is diametrically contrary to fundamental American political principles. It does not serve and in fact undermines the laudable goal which it presumes to serve. This disgraceful bureaucratic procedure should be resisted by all self-respecting Americans, including members of the Foreign Service.

The Office of Personnel Management form itself provides a way. The instructions say that "if you are of mixed racial and/or national origin, identify yourself by the category with which you most closely identify yourself." Of course, "to identify oneself" is a completely subjective judgment. For myself, I have chosen to identify with "Asian or Pacific Islander."

PAUL D. MOLINEAUX
Bonn

The Foreign Service Journal *welcomes the expressions of its readers' opinions in the form of Letters to the Editor.*

All letters are subject to condensation if necessary because of space limitations. In some cases letters are edited for clarity and to conform to standard style.

Letters should be typed if possible and sent to Foreign Service Journal, *2101 E St. N.W., Washington, D.C. 20037.*

BOOK REVIEWS

The New Economics

MONEY AND MONETARY POLICY IN INTERDEPENDENT NATIONS, *by Ralph C. Bryant. The Brookings Institution, $29.95 cloth, $12.95 paper.*

Bryant believes global interdependence is increasing faster than economic theorists, policymakers, and assorted experts realize.

He cites the example of a German importer who draws down his Eurodollar account with a London bank to buy Argentine beef. Traditional monetarists, he suggests, would "assign" the transaction to the money supply of one country or another—perhaps to Germany, whose national held the asset and procured the beef; the United States, because the account was denominated in dollars; the United Kingdom, where it was held; or Argentina, whose control over Eurodollars increased.

Such transactions are common and increasing—that's the essence of interdependence—and conventional definitions of national money stocks are therefore becoming obsolete, Bryant argues. He believes central banks are too preoccupied with a subset of financial magnitudes that may not be critical, since they exclude ever larger proportions of assets used as money.

In fact, in the 1980s, Bryant sees no realistic way central bankers can effectively specify and control any collection of financial instruments that will ultimately affect national output, prices, and unemployment levels. And hence, he believes monetarists like Milton Friedman and Anna Schwartz err: their "closed economy" theory is unreal.

"As seen by the policymaking crews charged with steering them," he notes, "economic ships of state are poorly designed and equipped, with weak and unreliable control instruments." Hence a successful voyage may be attributable mainly to favorable winds, while an unsuccessful voyage may be caused primarily by bad weather rather than the ineptness of the crew.

Still, Bryant contends it's not all guesswork. He thinks economists can devise better guidelines for policymakers, based on improved theory that integrates domestic and international considerations into a single analytical framework and decision-making procedure. He also thinks future economic theory should erase the blurred lines between monetary and fiscal policy, since, in his view, no set of economic factors can be accurately analyzed nor treated in isolation from others.

He's hopeful: he thinks the current "ferment" in the economic world will eventually bring the necessary reforms.

Perhaps the final report of the Carter Council of Economic Advisers is a case in point, because it touched on similar questions, especially in discussing the interaction between domestic monetary policy and foreign exchange markets.

In writing his book, Bryant says he sought "to steer between the Scylla of woolly verbiage and the Charybdis of needlessly complex mathematics," because he hoped experts, laymen, and policymakers will all examine his thesis. He probably will be disappointed: most non-experts will find his presentation heavy going, and many experts may resent his aspersions cast against their sacred cows. But he serves much food for thought for those interested in foreign economic policy who are not easily intimidated by economic jargon and formulas.

—JOHN J. HARTER

External Revenue Services

TAX SYSTEMS OF WESTERN EUROPE, *C.J. Platt. Renouf Press, $36.*

This 166-page paperback tax guide is useful for: one, diplomats posted to Western Europe who wish to discourage their in-laws from moving in with them; two, members of the House Ways and Means Committee who can delight in the fact that the tax systems of Luxembourg and the Netherlands are more complicated than the U.S. Internal Revenue Code; three, bachelors considering marriage into the European aristocracy.

As for myself, after I retire to the Channel Island of Sark (only place in Europe with no taxes, but also no mail service) I will write my own guide concentrating on tax loopholes, such as spending a deductible $36 on Platt's guide. My guide will include Cyprus and Iceland, omitted by Mr. Platt, and exclude Romania, which he somehow included in Western Europe. As Plato said: "When there is an income tax, the just man will pay more and the unjust less on the same amount of income."

—CHARLES R. FOSTER

Two on Disarmament

ARMS CONTROL AND SALT II, *by W. K. H. Panofsky. University of Washington Press.*

DISARMAMENT—COMMAND OF THE TIMES, *by V. Mamontov. Progress Publishers.*

These two works of advocacy illustrate much of what is right—and what is wrong—with arms control today. Both start from the thesis that the enormous stocks of nuclear weapons now being amassed threaten the very existence of civilization. Panofsky, a leading American scientist and arms control specialist, goes on to argue the case for SALT II. Mamontov, described as "a top Soviet expert on disarmament," argues the case, not for SALT, not even for arms control in general, but for the Soviet Union as the champion of arms control. These differing approaches suggest the difficulties of achieving progress in arms control without overcoming the fundamental hostility causing the arms race.

For Panofsky, the accumulation of nuclear weapons has passed the point at which they serve any rational military purpose. He believes the risks involved should create a shared and overriding interest in controlling nuclear weapons. Panofsky advocates giving an absolute priority to the avoidance of nuclear war.

He is perplexed that arms control has not achieved greater public support. He attributes this in part to the interrelationship between politics and military preparedness. He finds arms control unfortunately linked to other issues, such as the Soviet human rights record. Attempts at arms control are also undermined by a tendency to exaggerate or invent military weaknesses

in order to win legislative approval for military spending. Panofsky further laments the importance of perception instead of reality in military affairs. Nuclear weapons have thus become symbols of national power rather than merely weapons to be used on the battlefield.

Politics interferes with what Panofsky sees as the rational imperative of arms control. For Mamontov, however, both weapons and arms control serve quintessentially political purposes. Mamontov explains how Marx and Engels determined that war results from the existence of exploited classes. It is inherent in the capitalist system. The Soviet Union has since 1917 championed peace and disarmament, leading "progressive" forces in achieving whatever successes in arms control have been possible. The capitalist states, on the other hand, led by the United States, have fomented the arms race and attempted to block the peaceful initiatives of the USSR, while spreading malicious stories about Soviet expansionism and the Soviet "threat."

The reader looks in vain for Panofsky's concept of a shared interest in arms control. Mamontov explains the willingness of the West to enter arms control agreements as the result of the shifting correlation of forces, which has caused certain Western leaders to recognize the folly of continuing to seek military superiority over the Soviet Union.

For Mamontov, arms control is part of a competitive political process. Unless American advocates of arms control take full account of that political competition, their case will suffer. Soviet actions and attitudes toward the arms race weigh heavily on the American public, even if they do not with Panofsky.

Regardless of whether the utility of nuclear weapons is perceptual, political, or military, they remain the currency of superpower competition. One nation cannot end that competition alone. Ignoring the competition is a sure way to lose it.

If Mamontov shared Panofsky's priorities, one could be more hopeful about the prospects for arms control. There is something dangerous and irrational about the arms race. But there is something equally irrational, and equally dangerous, in assuming that the other party approaches arms control with the same outlook as our own.

—MARTIN MCLEAN

Great Depths

THE OCEANS, *by Robert Barton. Facts on File, $19.95.*

This book, in some 300 well-illustrated pages, tells the average reader just about everything he may want to know about oceans—and a little bit more. Among the topics covered are ocean exploration, sea life, fishing and whaling, offshore oil and gas, diving, and water pollution. A particularly interesting chapter deals with harnessing energy from the sea, both mechanical and thermal.

This is an ideal book for a young person interested in pursuing a career in oceanography or an adult who simply wants to know more about the two-thirds of the earth covered by water. The photographs, drawings, and maps are all of high quality. The only thing missing, it appears, is a bibliography to assist in pursuing any of the chapters in greater depth (no pun intended).

—JAMES H. BAHTI

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The Diplomat's Lexicon

By JOHN P. MCKNIGHT

A lifelong collector of quips, cranks, and quotes, I some years ago, while I was still on active duty, put together the more apposite ones of my huge store in two brief articles for the *Journal*, one titled "Of Politics and Statemanship" and the other (slanderously) "The Second Oldest Profession."

Retirement has in no way weakened my compulsion to save bits of prose and poetry I like, and from the shoeboxes full of cards and slips that clutter the shelves of my study I have garnered these definitions bearing on the diplomatic art.

AMBASSADOR

The eye and ear of states. —Guicciardini.

A man who had the most money and the fewest votes.— John D. Lodge.

A minister of high rank maintained by one government at the capital of another to execute the will of his wife.—Ambrose Bierce.

DIPLOMAT(S)

Cooky-pusher.—Congressman John J. Rooney.

A ward politician with a frock coat. —Gen. Smedley D. Butler.

One who can yawn with his mouth closed.—Anon.

[A man] forever poised between a cliché and an indiscretion. —Harold Macmillan.

A man who when asked to name his favorite color answers "plaid."—"Today's Chuckle."

One who can step on your shoes without ruining the shine.— Anne Olivier (in the *Journal*).

A person who can tell you to go to hell in such a way that you actually look forward to the trip. —Caskie Stinnett.

One that says something that is equally misunderstood by both sides and never clear to either. —Will Rogers.

A man who can convince his wife that she looks vulgar in diamonds.—Joey Adams.

. . . that a fur coat makes her look stout.—Ray Hastings.

DIPLOMACY

Accredited mendacity.— (quoted by) Thomas A. Bailey.

. . . our first line of defense.—Hugh S. Gibson. (The last four words make the title of John M. Cabot's 1979 memoir).

The patriotic art of lying for one's country.—Bierce. (Cf. Sir Thomas Wotton's 1604 definition of an ambassador, "An honest man, sent to lie abroad for the good of his country"; that crack got him in considerable hot water with his sovereign.)

The art of letting someone else have your own way.—Anon.

. . . of handling porcupines without disturbing the quills.—"Today's Chuckle."

. . . of fishing tranquilly in troubled waters—J. Christopher Herold.

Bringing home the bacon without spilling the beans.—Jules Jusserand (French ambassador to the United States, 1902-1925). □

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A Farewell to Shirley Newhall

Shirley Newhall's departure from the editorship of the *Foreign Service Journal* on May 1 is one of those events that none of us ever thought would happen. The *Journal* and Shirley have been synonymous for all of us, and for the many editorial board members who have served before we did. Although some of us have been associated with the *Journal* for several years now, none can match Shirley's 20 years' devoted stewardship of the publication to which we all have given so much of our time and attention, but on which no one else has lavished such dedication and care.

Shirley, as we all have learned over the years, is a very special person, unusual in her identification with this publication, which she has molded and fashioned into the unique and valuable vehicle for the American Foreign Service Association that it has become. Her professionalism, her judgment, her wise counsel, her legion of friends and colleagues in the Foreign Service, journalism, and allied professions have served AFSA and the *Journal* well.

She led the *Journal* during a very stormy time and endured insults and challenges that were neither justified nor deserved. With the patience and good humor that we have all come to expect of her, she was always the personification of the good taste and pluck that we would expect of the true lady and fine individual that she is.

It is with heavy hearts, but also with the warmest of good wishes to her in well-deserved retirement to her beloved Vermont, that the members of the *Foreign Service Journal* Editorial Board wish her Godspeed, *ave et vale*. We know that she will continue to be as productive in her retirement as she has been in her service to AFSA.

—JOURNAL EDITORIAL BOARD

A Change in the *Journal*

Readers will no doubt note that, with this issue, the *Journal* has a new look. The reason for the changed appearance is to enhance legibility, to simplify the format, and to maintain the tradition of graphic excellence that runs clear back to the magazine's first issue some 57 years ago. For the curious, all text and display type is set in Century Expanded, long considered among the most readable of all typefaces. The new logo on the cover is a version of Century. It was executed by local graphic designer Peter Gentile, who contributed at no charge much time, effort, and ideas to what I believe is an attractive and distinguished new format. It is of no small consequence that the simpler design will greatly aid the speed of production as well as to hold the line on costs.

—STEPHEN R. DUJACK

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An Open Letter Of Thanks

By WILLIAM C. VEALE

I want to express to my friends and colleagues in the Foreign Service my deep thanks for the Certificate of Appreciation the American Foreign Service Association presented to me April 13 for my part in helping improve Foreign Service pay.

Some of you may know that I am the proud owner of a fine English bulldog named Max. Over the years, Max has taught me the importance of having a tenacious grip on things, and I attribute to him my persistence on the pay issue over the past five years.

How did I come to be so involved with a matter many of us believe is not properly discussed in public? Well, on my first assignment in the Foreign Service I shared an office with another junior FSO, who revealed to me that there was such a thing as a pay comparability gap with the Civil Service. That young officer soon left the service and later got elected to Congress—Jim Leach from Iowa. It took a few years for the reality of what he told me about the pay problem to sink in. But, it really did hit home when I came back to Washington from my first overseas assignment some five years ago. You all know first hand, I'm sure, the kind of financial straits I mean.

It took us a long time to get the pay adjustment that went into effect last October, and I am as surprised as any of you that it actually became a reality. My thanks go to the many people in and out of the State Department who helped make it possible. Among them:

The more than one hundred FSOs who helped alert management to the issue by signing my petition four years ago;

Mike Finley, a college classmate who gave me encouragement in the early stages of our effort;

Jim Leach, who with his helpful staff was 100 percent behind us all the way, and gave wise counsel at the end of the road;

Dante Fascell, who let me buttonhole him at a party and committed himself from the beginning to get us what we deserved—and then delivered!

Ginnie Schlundt and Janean Mann, who did so much of the real work to sell the pay issue on the Hill;

Ralph Stuart Smith, who helped me get published in the *Foreign Service Journal* in 1977 to focus attention on the pay issue;

Paul Ward, who pointed me towards AFSA's Members' Interest Committee as a place to get things moving;

Ted Wilkinson, who, as chairman of that committee, gave me full rein to hammer home the need for pay comparability;

John Ritch, who drafted the legislation calling for a study of Foreign Service compensation;

Galen Fox, Ken Hill, John Pitts, John Malott, Dave Fischer, Bill Farrand, Dick Hecklinger, Matt Daley, and others who worked closely with me, moni-

toring the Hay study and following up with our own actions to get the outcome we wanted.

Bob Gershenson, who charged at the Office of Management and Budget so many times they finally began to see our problem;

John Forbes, a high school friend who just happened to be in the right place at the right time—Jim Leach's office;

Frank Dimond and Emmett O'Brien, who helped carry the day for our Staff Corps;

AFSA Presidents Pat Woodring, Lars Hydle, and Ken Bleakley, for personally embracing the cause of pay comparability and for wholeheartedly supporting my efforts over the past five years;

AFSA board members Thea de Rouville, Bob Stern, Joe McBride, and Ron Witherell, who tolerated my hyperbole at awkward moments, but remained believers throughout;

My bosses over these past years, who kept things in perspective and lent support and encouragement;

Finally, former Secretaries Vance and Muskie, as well as Ben Read and Harry Barnes, for having gone all out to get us the best possible pay adjustment against almost impossible odds. They succeeded, and the Foreign Service will be a better institution because of it.

My experience with the pay issue has been a very real, personal education in how institutional reform can work. Clearly, anything worthwhile takes a long, sustained effort. There is plenty of unfinished business when it comes to strengthening the role of the Foreign Service and the State Department. I encourage others among you to seek to further your own education, too. The bottom line of my message is: Get involved. Nobody else is going to solve our problems for us. AFSA can never be some lofty body that looks out for all our interests while we go about pursuing our careers; AFSA is only what we are willing to put into it. AFSA. in the final analysis, is simply us.

A Changing of the Guard

By the time this editorial is printed, Ken Bleakley, president of AFSA since July 15, 1979, will have resigned his office and taken up his new responsibilities as deputy chief of mission in El Salvador. We, his colleagues on the AFSA Governing Board, believe that we speak for all members of the Foreign Service when we wish him well in this new, most important and difficult assignment.

It is typical of Ken to take on the difficult and to put flesh on the bones of our avowed commitment as a service to serve where we are needed. In his almost two years as our elected leader, he gave of himself unstintingly, working almost as many hours per week for AFSA as he did for the department. We know that this personal dedication to the job at hand will continue to be demonstrated as he moves from the minefields of bureaucratic politics to the very real dangers of a nation torn by civil strife. Although this is a time for regret that the association is losing Ken's superb leadership, it is also a time to be proud that demonstrated professional excellence is recognized and put to use in the service of the nation.

Good bye, Ken, good luck, and Godspeed.

The Atlant

New Direction

By CHARLES R. FOSTER and RICHARD ALBRIGHT

The start of a new presidency is always a good time to reflect on American foreign policy, particularly the state of the Atlantic Alliance. It is also a good time to compare the policies of both administrations, old and new, with American interests that transcend individual presidencies.

Perhaps Henry Kissinger put it best in his book *White House Years*:

> Every new administration since 1960 has come into office convinced that its predecessor neglected Atlantic relations, proclaiming it would give high priority to remedying this shortcoming. . . . None brought about the dramatic improvement for which it aimed. Ironically, the greater the energy expended, the more the problem seemed to multiply.

We begin by examining two views on the state of the Atlantic Alliance. One holds that the alliance has entered a period of disarray, that the interests of the United States and a rapidly uniting Europe are diverging and will spell its end. This school thinks the United States has lost its capacity to lead. Its proponents call for a reassertion of American leadership, especially to revitalize a policy of Soviet containment. This is also the view of the more conservative members of the Reagan administration, who would like to return to our pre-Vietnam world role.

The opposing school emphasizes the interests and goals that formed the alliance's *raison d'etre* and continue to guide it today: mutual defense; a common economic well-being; and shared values of freedom and human rights. Proponents of this view acknowledge that the alliance in recent years has been beset by serious conflicts. Amounting to a series of crises, these differences are, in fact, the normal state of affairs. This does not mean that the crises can be ignored, as they often have been. Nor does it mean that doom is hovering over the alliance. This view, closer to that of the Carter administration's, is espoused by pro-Europe scholars such as Anton DePorte and Stanley Hoffmann.

The problems that plagued the alliance during the Carter presidency can be classified into three categories: American leadership; the common defense; and North Atlantic economics. First, both European and American opponents of Carter policies assailed the administration's ability and style of leadership. Doubts have also been voiced about the capability and willingness of the American people to continue a leadership role. Second, the alliance must reconcile its theater nuclear force modernization and sustained build-up of conventional forces with the desire to continue détente and arms control. This problem is compounded by the perennial argument over who will foot the defense bill and Carter's controversial threat of linking defense and economic issues. Last, North Atlantic economic well-

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Charles R. Foster is executive secretary of the Committee on Atlantic Studies and secretary-treasurer of the Conference Group on German Politics. He has published many books and articles on European politics. Richard Albright graduated last month with a master's from Johns Hopkins University School of Advanced International Studies.

c Alliance

nder Reagan?

being depends on working out long-term strategies such as the development of a monetary policy that will eliminate the shocks of rapid currency fluctuations, solving the problem of energy supply and the related conflicts in the Mideast, the development of a trade policy toward the Third World, and dealing with the changing trade and production patterns of the alliance nations. Naturally, opinions on what to do about these problems divide along the lines of to which school one belongs. What will Reagan do?

American Leadership

During the Carter presidency, complaints about American leadership were exacerbated by the popular perception of the administration's foreign policy as a series of disjointed improvisations in response to immediate pressures. Such acts as the cancelling of the B-1 bomber and the confusing undeployment of the neutron bomb left America's allies puzzled about what they could expect of U.S. policy. Then there were Carter's July 1979 national television address, in which he essentially confessed his failure as a leader; the glaring inconsistencies in his human-rights policy; the embarrassing turn-about on Israel in the United Nations; his naive statement of shock that the Soviet Union could invade Afghanistan; and, perhaps most disquieting to the Europeans, the constant inability of the administration to articulate its foreign policy with a single voice. All contributed to the impression that Jimmy Carter was incapable of leading, or that he simply did not understand his role as leader of the Western world.

The Carter administration was not without achievements, however, particularly in the last half of its term, when it seemed to come to grips with some of the alliance's major problems. Carter's handling of the hostage crisis—aside from the ill-fated rescue attempt—was seen in Europe as adroit and level-headed, reassuring those alliance partners who had feared premature or irrational actions. The signing of the SALT II treaty was viewed as a major step for détente, even though Carter was unable to gain Senate ratification. The politically difficult decision to modernize NATO theater nuclear forces in Western Europe was a major triumph for Carter and for alliance politics. And, finally, the United States seemed to reassert its leadership by pressing Europe to accept an annual three-percent real increase in NATO defense spending over the next five years.

It should be noted that American leadership was in decline before Carter ran for office. The *Pax Americana* that began in the 1950s was waning in the early '70s and now is clearly over. Part of the reason for the loss of leadership is that the United States no longer has overwhelming superiority in nuclear weapons. The country is in a period of economic decline when compared to its alliance partners, to Japan, and to the emerging nations of the Third World. Finally, a series of international setbacks—Vietnam, Iran, Afghanistan—has diminished this country's perceived ability to control world events. Americans, who until recently viewed their military and economic potential with an "anything is possible" attitude, have been forced to lower their expectations. The people's reaction to this loss of leadership has not been

toward acceptance and adjustment but frustration and rejection. The electorate in turn rejected an administration it saw as unable to meet the expectations of the citizenry, by electing a Republication president and Senate.

In sum, the Carter administration failed either to reassert American hegemony or to state a clear new policy in response to the country's relative decline as a world power. While the Europeans may have been relieved by the end of the blunt Nixon style, expecting that Carter would be more receptive to alliance needs, Carter's ambiguity renewed European concern. To be sure, little progress was made by any recent American president in solving the major contradiction of the alliance: Though the United States desired a strong Europe, economically and militarily, it was unable and unwilling to accept the natural consequence of that European strength—a more equal sharing of power. And much of Europe showed its unwillingness to check Soviet expansion outside the continent, most of them refusing to join the U.S. boycott of the Soviet Olympics, for instance. Further, the Europeans seem unwilling to strengthen their defense forces, particularly in accepting the reality that the defense of the West extends beyond the geographic borders of Europe, and to express a common economic and military policy, exemplified by all the conflicts in the European Economic Community and NATO. European reaction, however, to shifts in American policy remained surprisingly low-key.

The election of Ronald Reagan—initially feared in many European capitals because of his frequently outlandish campaign statements concerning détente and defense—has come to be seen by many there as a positive development. A strong American president who can clearly define and articulate American interests and policies, who has pledged to improve transatlantic consultation, and whose political experience has shown a degree of pragmatism is seen in Europe as better than an enigmatic president whose ideological policies all too often seemed ill-defined and unstable. The Reagan administration expects to take a strong leadership role in Eastern Europe and the Persian Gulf, areas that are also central to Western Europe's economic and security interests. But at the same time, Europeans are concerned because some Reagan foreign policy advisers are counseling an isolationist stance in the Third World and the administration is reducing foreign aid, thinking these are of no interest to the alliance. But, as Kissinger said, pronouncements at the beginning of a president's term are often far different from the results.

The U.S. looks beyond the fence

Defense

A major triumph for the Carter administration was the NATO decision to deploy 108 Pershing II missiles and 464 cruise missiles on the European continent while, at the same time, the United States would proceed with arms control initiatives. This seemed to herald a resurgence of American leadership and a period of military renewal in NATO, but the failure of the Senate to ratify SALT II raised questions in the parliaments of the smaller countries about U.S willingness to proceed with arms control. The Soviet threat to respond in kind to NATO's planned missile deployment —which would result in just the arms build-up that everyone wants to avoid—refueled the debate over NATO's theater nuclear doctrine in Europe.

If Kissinger's argument presented in his September 1979 Brussels speech is true, that American extended deterrence in Europe is dead, then what Europe needs is not American nuclear arms on the continent but a European nuclear deterrent. On the other hand, if the central balance-of-terror provides the deterrent, regardless of the actual number of intercontinental missiles, then McGeorge Bundy's argument is the valid one: "The strategic protection of Europe is as strong or weak as the American strategic guarantee, no matter what American weapons are deployed under NATO." Should the latter prevail, Europe can take the easy way out—neither an expensive European armament nor a politically unpopular deployment of American missiles on European soil would be necessary. The Reagan administration, however, feels that as the deterrent becomes more effective, the wider it will be spread, and that sharing the cost will create better and more reliable allies. Furthermore, an administration that is committed to the achievement of nuclear superiority, however chimerical that may be, will demand theater nuclear force modernization besides a conventional force buildup.

Perhaps a more important and more divisive issue than theater nuclear force modernization is the intertwined problem of détente and linkage. Difference of opinion on this was a source of serious conflict in the Carter administration. It is likely to continue. At issue is the American conception of détente as merely the absence of Soviet aggression, and the European conception of détente as a symbiotic relationship good for both sides and essential for global prosperity. West Germany especially would find it difficult to give up its growing trade relationships with Poland and East Germany and to forego the benefits of eased travel restrictions across the East-West border. This is not to say that Western Europe would be tempted to bow to Soviet pressure to avoid sacrificing détente. It is perfectly clear that should there be a further increase of tension, Western Europe will unequivocably side with the United States. There is no choice.

It is important to stress, however, that for Western Europe détente is not a means but an end. This is where linkage comes in—the idea that détente in Western Europe should be indexed to Soviet behavior in the rest of the world. Linkage became a tenet of Carter's foreign policy, in the response to Afghanistan and as a warning to the Soviets not to meddle elsewhere. The Eu-

Association News

Ex-Hostages Receive State, AFSA Awards

The members of the Foreign Service who had been held hostage in Iran received a round of awards from the Department of State and from the American Foreign Service Association on April 13. The former hostages first assembled on the stage of the Dean Acheson Auditorium for the presentation of the department's second highest honor, the Award for Valor. Then they were guests of AFSA at a luncheon in the Foreign Service Club, where they received the association's highest awards, recognizing "individuals displaying courage in all its dimensions, independence of spirit, and dedication to the service."

Former Teheran chargé Laingen

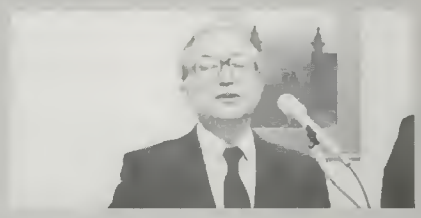
At the first ceremony, Secretary of State Alexander Haig asked L. Bruce Laingen, who was chargé d'affaires in Teheran, to accept on behalf of the other former hostages a certificate and a medal, which the Secretary pinned to Laingen's chest. "It is now clear as never before," said Secretary Haig, "that the professionals of the Foreign Service are the first line of defense of American interests abroad."

The department gave additional awards to members of the Iran Working Group, the Family Support Group, and others who coordinated the efforts for the hostages' release. In citing them, Secretary Haig said, "Policy may be a matter of great controversy. It is no secret that on Iran the Reagan Administration would have handled the matter in a somewhat different fashion. But there can be no controversy whatsoever over the behavior of those who carried it out; it was truly professional in the true sense of the word."

Secretary Haig, just back from his debriefing at the White House following his Mideast and European tour, read a message from President Reagan, who himself had just returned from his hospital stay. "We must be resolved that this cruel episode in our history shall not be forgotten," he quoted Reagan, "that we will ensure our professional diplomats, and military personnel as well, every means of protection that America can offer." Reagan also noted the country's debt to the eight servicemen who died in the aborted rescue attempt.

Following the luncheon with their families at the Foreign Service Club, each former hostage received a certificate of award from AFSA President Kenneth Bleakley, who said, "You made our profession very proud. You made all Americans very proud with your sacrifices. You showed us all that the Foreign Service does matter and that the professional standards we bring to our work in the long run will make a difference." The former hostages received the association's 1980 Christian A. Herter Award, William R. Rivkin Award, or W. Averell Harriman Award. The stipends were given in block to AFSA for a special scholarship fund.

Following Bleakley's remark that AFSA was recognizing the former hostages "not as a group but as individuals," the daughter of one of them read each name to the crowd of a hundred. Laingen addressed the group and displayed the medal they would all be receiving. Later that day, the former hostages traveled to White Sulphur Springs, West Virginia, for three days of rest and psychological evaluation before their reassignment to new posts. For them, the spate of awards and the resort holiday were the end of a difficult period in their lives. Many were wearing ribbons, not of yellow but of green, marking their concern for the children killed in Atlanta.



Congressman William D. Ford

AFSA Honors Congressmen Ford, Buchanan

At the same ceremony where the American Foreign Service Association honored the former hostages (see related story), AFSA presented certificates of appreciation to two Foreign Service officers, two Congressmen, and six Congressional staff members who had helped in the passage of the Foreign Service Act of 1980.

Former Congressman John Buchanan, Republican of Alabama, and Congressman William D. Ford, Democrat of Michigan, were commended for their aid by AFSA President Kenneth Bleakley. Buchanan said he was "doubly honored, because I'm proud to be in this company." Ford noted that "service to our government is not only being a paper pusher in Washington. Those of us in the military are not the only ones who serve; millions serve without uniforms in dangerous and challenging situations for the common good. This is typical of the commitment of the profession that was represented by the former hostages."

Foreign Service officers John Forbes and William Veale received certificates for their efforts in behalf of the Foreign Service Act, as did Congressional staffers Janean Mann, Andrew Feinstein, David Keaney, Gerald Christenson, Virginia Schlundt, and Michael Marke.

Former Congressman John Buchanan

State Standing Committee Evaluating Promotions, Benefits, Security

With selection boards scheduled to meet begining in July, the State Standing Committee has been heavily involved in work on the precepts for each board, new regulations governing the Senior Foreign Service, and other promotion-related matters.

One important AFSA proposal to management involves the use of Personnel Abstracts—"PAR" Cards—by selection boards. Once a year, every employee is supposed to receive a copy of his or her PAR card for corrections and updates. A "sanitized" version of the card—omitting purely personal data such as marital status, age, etc.—is placed in each performance file as a short summary of past assignments, functional specialties, language competency, etc. Unfortunately, the cards are notorious for their inaccuracies. AFSA has taken the position that if management cannot assure timely correction of the cards and review by employees, they should not be used in the selection process.

Work continues with management on the regulations that will govern payment of the new benefits authorized under the Foreign Service Act of 1980—danger pay, special-incentive differential, and home-service transfer allowance. At this time, it appears that funding will be available, although it may not be as much as we would like.

AFSA is looking into the procedures and practices of issuing security violations, both in Washington and overseas. We have received a number of complaints from the field on this subject. They show that practices are far from uniform from post to post, that some employees are significantly more at risk than others, and that regulations prescribe the same penalty regardless of the severity of the violation. Multiple violations—resulting in reprimands and eventually suspensions—can have significant career and financial consequences.

Travel by children of separated parents to visit the parent with whom they do not reside is provided for under the new Foreign Service Act, but funding for the trips is not available. The department has taken the position that, pending availability of funds, no travel orders will be issued if the parents pays for the travel. This means that the child cannot be issued a diplomatic or official passport. Such "non-official" travel, especially to remote posts, could have serious consequences. Thus, AFSA is proposing that "no-fund" travel orders be issued in such cases. This would seem only logical, since once funding is authorized, the travel would, of course, be official.

For the future, we are looking into the possibility that out-of-agency and out-of-zone assignments may be disadvantageous to an employee in the promotion process. First, we will compile statistics on how such people have fared at the hands of selection boards over the last few years. If it looks as if such assignments do involve disadvantages—and we believe they do—one possible remedy might be to assign to boards employees who have recently served such tours.

AFSA Announces Logo Contest

Association members are no doubt familar with the association's two logos: the familiar spread-winged eagle that adorns the awnings at the Foreign Service Club, and the traditional eagle in a circle on the new shield (see the editorial page).

Noting the widespread artistic talents of its members, AFSA has decided to launch a contest for a new logo. Designs should incorporate an eagle and the full name of the association. The prize will be a luncheon for two at the Foreign Service Club, to be held in escrow for any winner overseas.

Saving Tax Dollars Through Installment Sales

PERSONAL FINANCIAL PLANNING

In real estate, the after-tax profit is the true measure of the financial success of a transaction. Now, a new law, the Installment Sale Revision Act of 1980, gives sellers a way to pay lower taxes by spreading payment for the property over several years, thus minimizing higher tax brackets. Contrary to the previous law, the IRS will automatically tax the seller in this way when payments are spread unless he or she elects to declares all the capital gains in a single year.

This law comes as good news in an era when sale of real estate can produce enormous capital gains. For one thing, the new law removes most limits on how much of the total payment for the property is received by the seller in any given year. Unless you have substantial losses in the year of the sale to offset the gain, you will probably benefit by spreading payments. A further advantage is that postponing part of the payment may yield a higher final sale total because of inflation. Another applies to sellers facing retirement, who can put part of the capital gain into their retirement years, when income will probably be lower. Or perhaps you expect capital losses in the future that could offset the gains of the partial payments. On the other hand, reporting the entire gain in one year may allow you to use income averaging, with benefits potentially greater than those of spreading payments. Proper care must be taken to working out various payment plans to see which yield the highest after-tax income.

Let's work through an example. First, only sales with a gain can be spread. Imagine a gain of $50,000 on a property you own free and clear and sold for $150,000. If you receive $25,000 in the year of the sale and $25,000 plus interest for each of the next five years, the tax due would be only the portion of each payment that constitutes the gain—in this case one-third, $50,000/$150,000—plus the interest. If your property is still under a mortgage, the percentage would change but payments would still only be taxed as received. You should protect yourself with an irrevocable letter of credit to prevent the threat of loss of future payments.

The new law also can benefit the buyer, who can postpone payments to receive more favorable interest rates on his mortgage or because his current property has not yet been sold and he is short of cash. But any such contingencies in a sale should be worked out by a good real estate lawyer or accountant to prevent possible problems.

The new law does close a former loophole. Now, a property sold between related parties on the installment plan cannot be resold within two years without the sale being treated as if it had been sold by the original party and payment received by the second party.

Installment sales rules are explained in IRS publication 537. Additional publications that may held you determine your gain and tax basis are #526 for homeowners and #527 for rental/property owners.

—HOWARD GLICK, *financial planner*

AID Panel Acts On Pay, Funding, etc.

On May 6, the AID Standing Committee sent this telegram to AID Foreign Service employees.

Meeting with Administrator McPherson:
Two members of AID standing committee and AFSA President Bleakley met with Administrator McPherson on April 14 to exchange views on several of the more pressing matters of concern to AFSA. Following are the highlights of that meeting:

1. Status of staff—AFSA noted that demoralized state of AID staff personnel whose pay rise under the pay comparability package amounted to only 8/10 of 1 percent. We requested that position descriptions for AID staff individuals be rewritten to take account of the real tasks performed by these employees, which are far more extensive and complex than the boilerplate position descriptions in existence. We noted to Mr. McPherson that this had been requested by AFSA previously with no action to date. We suggest concerned AFSA chapters discuss this matter with management at post.

2. Ambassadorial Pay Cap—AFSA requested Mr. McPherson to weigh in with State to get this odious administrative barnacle removed. The serious effects of the cap on staffing and income—particularly for AID, with the highest percentage of personnel at hardship posts—were stressed. The administrator agreed with AFSA and instructed that efforts be made to settle this matter expeditiously. FYI, the old problem of funding continues to rear its ugly head on this one. AFSA's feeling is that AID management is as interested as we are in getting the cap removed and that the villain on this issue remains State.

3. Full funding of benefits provided under the Foreign Service Act of 1980—AFSA stressed the priority we assign to obtaining funds for these items and offered to help identify potential sources of funds. No feed hack from management was obtained.

4. Full utilization of the Foreign Service—the administrator was urged to look within the agency for proven competence rather than following past practice of hiring off the street at the drop of a hat. AFSA was informed that for the remainder of FY 1981 the agency planned to hire 25 IDIs and 20 others from outside in areas of shortage. For the latter group, AFSA urged that these not be senior people who hold up promotion of deserving on-board employees. The unsatisfactory agency history of promotion levels was recounted hy AFSA as was the wasteful aspects of inflated salary levels of recent outside hires.

5. Full implementation of the Obey amendment—AFSA noted that AID is a Foreign Service agency and that, although there had been some backsliding, the Obey amendment has started to take hold, with positive results for the agency. There was a certain degree of waffling by management on the subject; there definitely will be a strong need for continued vigilance during the upcoming AID reorganization. FYI, at a subsequent meeting with AA-designate for management and budget Rollis, AFSA made a strong statement on the need to follow Obey amendment regulations vigorously, so that Foreign Service experience is fully utilized in AID. Rollis spoke highly of the Foreign Service, noting that cuts needed to meet the 9/30/82 personnel ceilings would come mostly from AID/W, which will have on-board personnel cut 10 percent. Overseas reductions will be only 1 percent. AFSA not yet convinced that attempts will not be made to chisel away at Obey. End FYI.

6. Commissioning—AFSA repeated points supporting commissioning and urged AID adopt this no cost benefit to AID employees, which will be enjoyed by all Foreign Service members except those in AID. Mr. McPherson noted that he had not been briefed on this, but would look into it. The Standing Committee is following up on this.

Other Matters:

1. SER/MO Position. In previously mentioned meeting with Mr. Rollis AFSA Rep asked him to reconsider redesignation of position of Director SER/MO from F to SES. Virtually the entire management officer backstop group opposed the re-designation and expressed doubt that a non-Foreign Service officer could adequately understand conditions at far flung posts. After hearing AFSA's presentation, Mr. Rollis refused to reconsider the re-designation action. Your Standing Committee regrets therefore to inform its overseas members that decisions affecting your housing, allowances, travel, furniture, and other nitty gritty aspects of day-to-day life will be made by an officer with virtually no Foreign Service experience. We regret losing this one, and are continuing efforts to obtain the documentation relevant to the decision to re-designate the job, which to date management has been reluctant to release. We would also welcome examples of deteriorated service from this Washington operation so we can build a factual case for re-designation back to F in the near future.

2. GS Conversions for Plum Jobs. Several recent cases have come to AFSA's attention regarding GSs converting for positions which would be sought after by many AID individuals serving at hardship posts. AFSA actions this matter conveyed in Septel.

3. Position Reductions and Reorganization. During 4/27 meeting with AA-designate Rollis, AFSA requested confirmation that upcoming shifts and reductions would not result in RIF. Rollis expressed confidence that there would be no need to resort to RIF to make 9/30/82 levels. Total number of U.S. national personnel overseas to be reduced is estimated at 15. This is actual on-board people, not positions, which will be reduced more severely. Proposed Washington reduction will be from 2,073 on board 1/31/81 to 1,891 on board 9/30/82, excluding IDCA and TDP, which will be reduced from 58 on board 1/31/81 to 23 on board 9/30/82. If ceilings are used the AID/W reduction in ceiling will be 348 over the 17 month period. Most of reduction will come from central bureaus and part time slots. Interesting to note that administrator proposes to reduce his ceiling from 14 to 8. AFSA has informed AID management that while its membership generally welcomes reduction in AID/W levels, we would not expect this to be done in a way which constricts Foreign Service career development or dilutes the Obey amendment.

ICA Standing Committee Names Representative, Establishes Priorities for 1981 Action

In February, the ICA Standing Committee asked Steve Chaplin to become the ICA representative on the AFSA board of governors. At the committee's April meeting, priorities were established for the rest of 1981 and committee assignments made.

The committee decided that the major priorities are:

1. Monitoring the implementation of the new Foreign Service Act provisions;

2. Identification of those issues that uniquely affect ICA Foreign Service personnel;

3. Spouse and family concerns;

4. Increased communication with agency personnel stationed abroad;

5. An intensified membership drive.

Standing Committee assignments include:

Membership—John Katzka, Mary Muller, Robert Heath;

Spouse and Family Concerns—Jean Mammen, Harvey Leifert;

Foreign Service Act implementation—Susan Modi;

Editorial—Don Hauger.

Several Standing Committee members will be assigned overseas in the next few months. Individuals who are currently in Washington or will be assigned here this summer and who are interested in serving on the Standing Committee should write Steven Chaplin at his home address: 7018 Hector Road, McLean, Va. 22101.

All ICA members of AFSA are encouraged to send in their suggestions on issues that should be brought to the attention of the Standing Committee and the AFSA board. The Standing Committee is interested in matters of professional interest as well as "bread and butter" issues such as pay and allowances. All correspondence should be addressed to board member Steven Chaplin at the above address.

Finally, the Standing Committee wishes to recognize the major contribution of Fred Shaver, ICA's representative on the AFSA Board of Governors until he resigned in February because of an overseas assignment. Fred ably represented agency interests in AFSA's councils, and his hard work, good advice, and refreshing sense of humor are appreciated and will be missed. We wish him well.

Rational Budgeting of 'Our First Line of Defense'

On April 21, AFSA President Kenneth W. Bleakley addressed the Senate's subcommittee on State, Commerce, and Justice, to discuss the State Department's fiscal-1982 budget. Adapted excerpts from his remarks appear below.

As diplomats, the 11,000 American men and women serving our country around the world represented by the American Foreign Service Association are concerned that our role in protecting and advancing the national security has been seriously compromised by an international-affairs budget that no longer adequately serves the national interest.

The present administration did not cause the resource problems now besetting the State Department, nor has it had sufficient time to analyze and repair 20 years of neglect of "our first line of defense." We are the only cabinet department actually to have reduced personnel positions since 1961. Political and economic reporting and analysis positions took the brunt of these cuts, being reduced 12 percent during the past decade alone. All this took place while United States global responsibilities, international trade and investment, travel of citizens overseas and of foreigners to our shore —not to mention the size of the rest of the U.S. government—were burgeoning.

The results of this neglect are everywhere. From Iran and Afghanistan to Central America to Ethiopia, the United States has been caught unawares because we pulled back trained eyes and ears from the front lines.

The Congress has before it a budget that will cut another 304 positions from the department —256 of which "have yet to be determined." At the same time, the administration has declared its intention to fulfill the mandate of the Foreign Service Act of 1980, which requires greater efforts for professional development by providing additional positions. The act also says Congress plans to strengthen our substantive reporting and analysis capability.

Out of which empty pocket will the department take these positions? Are we now to reduce support services below minimal levels? We are already at the crunch point. Some examples:

- The Congress has wisely appropriated the funds sought by the department for protecting our overseas missions. Yet, time after time when our association inquires about particularly dangerous situations, we are told that the department will get to them as soon as it can; it does not have the manpower to accelerate the security-enhancement program. How many of our people must be captured or killed before we get the support resources we need? Since 1968 we have lost more ambassadors than all the generals killed in Vietnam, more Foreign Service officers over the last ten years than FBI agents in the same period.
- Our communications specialists and others providing essential support services overseas are compelled to remain under virtual house arrest in uncompensated standby status to assure secure round-the-clock telecommunications around the world. The department's promise to the Congress to provide compensation for this service has proven to be a cruel joke that has exacerbated the problem rather than cured it.
- For budgetary reasons the American flag was lowered at 10 consular posts around the world during the past 18 months. The Soviets maintain an overt presence in at least half of the cities from which we have departed. At how many locations this year will we no longer be able to provide protective service for American travelers and businesses or to monitor and prevent the flow of narcotics into our country at their source?

More than 30 percent of our overseas positions where knowledge of the local language is designated as essential are filled by people who have not received the training to develop minimum professional competence in the language. The department still lacks any comprehensive career development and training program to maintain and focus the skills of professionals selected in the most competitive examination process in the world.

More than 20,000 young Americans registered to take the Foreign Service exam to fill 200 positions last year. Nonetheless, in addition to the problems outlined above, we lack: sufficient secretarial support (there are more than 60 projected vacancies today), mobility (the travel freeze has had a devastating effect on our ability to conduct essential business), and administrative support for all government agencies at post (local employee-ceiling reductions force Americans abroad to spend much of their time on routine administrative tasks). The country is wasting a valuable national resource in misusing and failing to support its professional Foreign Service. What is needed is not a massive infusion of capital during a time of national austerity but a reordering of international affairs priorities beyond the confines of the Office of Management and Budget's artificially established Function 150 in the budget.

We ask the Congress to insist that OMB balance the cost-benefit ratios of State Department programs against those of other, less-streamlined federal agencies. Under present procedures each embassy, each geographic and functional bureau, and the department as a whole have been forced to weigh each program against every other to decide not where cuts can feasibly be made but where they will be least disasterous.

Someone needs to ask this basic question: Are we so transfixed by the billions of dollars necessary to improve our military and covert intelligence capabilities that we are ignoring the cost effectiveness of mere thousands of dollars in overt assessment of how and where to employ our national, political, economic, and military might and that of our allies?

We, the professional practitioners of our nation's diplomacy, are not satisfied with the responses we have been receiving to the issues this question raises. We believe the American people deserve better answers and we urge the Congress to demand a more rational allocation of international-affairs resources.

ropeans, with a much greater stake in détente than the Americans, strongly resisted the idea of a linkage that would tie tensions in faraway, unstable parts of the world to behavior on the European front. Though a Soviet threat in the Mideast and the security of oil supplies is clearly important to Europe, Soviet adventurism elsewhere would cause increased tensions within the alliance if linked to détente. While the United States, with global responsibility, looks beyond the fence, Europe is rightly more concerned with the grass in its own backyard. Fortunately, as Robert Tucker made clear in the Winter 1981 issue of *Foreign Affairs*, Reagan understands that disagreements among members of the Atlantic Alliance have been greatest when non-European issues such as Afghanistan and Persian Gulf stability have impinged on European interests.

Economic Policy

The issue that was the most divisive for the alliance in the 1970s, and will in all likelihood remain so into the 1980s, is economic policy. The problem is that European economic independence and welfare is threatened by the unrestrained vagaries of the American economy. For the last decade and a half the United States has refused to live within its means. It has abused its position as manager of the world's reserve currency by financing its own programs with newly printed dollars, exporting cheaper money and consequently inflation. In the 1960s it financed the Vietnam War and the Great Society in this manner, leading to the collapse of the fixed-exchange system. In the 1970s the United States also promoted increasing consumption of ever more expensive oil. Europe has tried to convince the United States to mend its profligate ways, but American reaction has ranged from blunt refusal, embodied in the Smithsonian agreements and the Connally shocks, to the neglect of the plunging dollar during the early years of the Carter administration. The formation of the European Monetary System sprang in no small way from the lack of confidence, particularly among the French and Germans, in U.S. ability to control its economy.

Energy supply has become increasingly important, if not paramount, in relations between the

Europe worries about its backyard

United States and Western Europe since the 1973 Mideast war. It was then that the United States rode roughshod over its allies' sensibilities in its expectations of European support for Israel. In its worldwide partial military mobilization and in its pressure on Europe, the United States threatened to push its allies into a position where oil, the imported lifeblood of the European economies, would be cut off. In the aftermath of the 1973 oil embargo and the drastic price increases that followed, there has developed a growing sense of irritation in Europe at United States unwillingness to control its excessive energy consumption and reluctance to apply the pressure on Israel required to settle the Palestinian issue. Until the problem of the Palestinian homeland is resolved there can be no stability in the Mideast.

President Carter made considerable progress in 1978-79 on the economic problems. The Camp David accords built an important first step toward Mideastern stability by solidifying the alliance with Egypt. Carter's appointment of Paul Volcker —closely identified with monetary stability—as chairman of the Federal Reserve Board was greeted with great relief in European capitals. Under Carter the United States had resisted great domestic pressure for market protection at the Tokyo Round trade negotiations and had begun to implement an energy policy, finally reversing the trend of rising oil imports. Whether Reagan will be able to improve on this is yet to be seen. His cabinet is divided on the Japanese import restrictions and his intent to leave energy policy to the market—i.e., to the oil companies—does not bode well for the future of government attempts to encourage conservation or to develop new energy sources. Reagan and the Republican Party have tended to support free trade, but whether this support will continue through the crisis in the domestic automobile industry is questionable. But one area in which there is genuine hope for progress under Reagan is monetary policy: Reagan promises to maintain a strong dollar and stable currency. The question is whether he will be able to get his economic package, essential to the pledge, through Congress. If he is successful, and his recovery plan works, a resurgent American economy could lead the way to worldwide economic growth and a new international economic order. But if Reagan is not successful, as some watchers feel, the economic relations among industrial countries are likely to become more difficult and acrimonious in the coming decade and to affect negatively the North-South relationship.

The Atlantic Alliance is a multifaceted organism. The factors that affect its health and well-being—the nature of alliance leadership, the common defense, the economies of the member nations—are not steady but shift according to environmental developments and the natural course of evolution. In the 1970s there were changes in these factors which affect alliance health today. Europe has developed as an independent entity that in many ways has different economic and security interests than those of the United States. It is therefore essential that Reagan pursue policies that respond to the common purposes of the alliance, not to the belief that a policy that benefits the American interest will naturally be in the interest of its allies. For too long the American conception of cooperation has been one of its alliance partners' automatically following its policies. The Atlantic Alliance needs leaders who can face reality and shape policies in the common interest. Influence and the willingness to listen must flow in both directions. As the newly crowned leader of the alliance, Reagan needs both an open ear to changes in the wind and a firm hand on the helm. □

Flames and smoke pour out of the American Embassy in Islamabad, Pakistan, after an attack to protest what was falsely believed to be American involvement in the occupation of the holy shrine in Mecca. Photo by UPI.

Diplomatic Protection

Increasing Security for Embassies & Top Officials May Stimulate Terrorists to Lower Their Sights

By ED MICHAL

We would have all felt much better if the caller had threatened to kill the Consul General. Our Consul General was protected by cypher locks and armed guards at work, by 24-hour security patrols at home, and on the road by an armored car and a chase car filled with men in three-piece suits with disassembled submachine guns.

But the caller said he was going to kill "the consul," and we vice consuls figured he might settle for even less. So I placed a loaded revolver in my briefcase and left it on the seat beside me as I drove to or from work. My compatriots were equally inclined to do battle—one stuck a pistol in his belt, in the small of his back, and another began to carry a golf bag with a shotgun in his car. Our supervisor never attempted to remonstrate with us but, then, he carried his gun in a shoulder harness.

We never had to use our weapons in that Latin American post, and I now believe carrying them about as we did was a mistaken response to what we perceived to be a significant threat. (Weapons should be carried only by those professionally trained to use them—and who are prepared to respond immediately to an attack in the making.) But our precautions reflected a commonsense recognition that terrorists, if discouraged by top-level protection, are unlikely to have compunctions about striking at weaker links in the chain. That chain is the Foreign Service and the most vulnerable links today are the ordinary members of the service—communicators, diplomatic and consular officers, secretaries, and other representatives of the United States government aboad, not to mention their families. How can we better protect our chain of diplomacy, from first link to last?

As agents of American government, these links—U.S. personnel stationed overseas—are symbols. So are the physical facilities of our embassies. People, however, bleed, move about, and are intrinsically more interesting than wood and masonry. Moreover, no one pays a ransom for a building or a complex. The extra vulnerability of our Foreign Service personnel must be understood before effective countermeasures can be undertaken to minimize their attractiveness as targets.

The risks of serving in a diplomatic capacity stem from the particular functions of diplomacy itself: the conveyance of sometimes controversial views or policies to foreign governments; the collection of information about a foreign society and its government in that country; and the communication of knowledge about the diplomat's society. Furthermore, none of these objectives can be carried out well without some degree of exposure to the host society. A reasonable balance between security precautions and diplomatic interests must therefore be sought.

Although embassies themselves can be made more resistant to mob violence, most personnel need to spend much of their time outside its protective walls. The key to personal safety outside the mission is active and informed efforts by lower-ranking Foreign Service employees to lessen the probability of an attempt upon either their liberty or their lives.

The takeover of the American Embassy in Teheran on November 4, 1979, followed by the burning of the U.S. embassy in Islamabad on November 22 and the sacking of the mission in Tripolio on December 2, brought into high relief the issue of improved protection for Americans with diplomatic status. Yet, if we accept author Michael Hamilton's view that "a hostage is a person whose life or welfare is at risk, whether he is actually captured by terrorists or just endangered by what the terrorists could do to him," the possibility of a recurrence of such incidents, serious as they may be, is only part of the total threat to Americans serving their government overseas. Even the threat or distinct possibility of violence affects Foreign Service morale and, ultimately, the carrying out of diplomacy.

While efforts to increase security at overseas working facilities are commendable and necessary, such steps are unlikely to meet security needs completely for most employees and their dependents. At most posts, these workers live outside mission premises and would not always benefit from increased passive security measures. As embassy facilities are progressively strengthened —and protection increased for such

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top-level symbols as ambassadors—the potential for off-premises attacks directed toward lower-level employees will increase.

The Foreign Service needs to make available adequate training facilities for education in evasive techniques and preventive measures, coupled with the providing of as much technical assistance as possible at posts. This program would make terrorist operations against American officials and their families less feasible. Its cost would be less than that of a major construction program to provide secure living quarters in just the more dangerous areas. Finally, the benefit to Foreign Service morale could be substantial

Where The Threat Originates

The general recognition and acceptance of the doctrine of immunity for accredited agents of foreign powers decreases the likelihood of terrorist attacks originating from the most powerful and well-organized group within the host country—its government. Indeed, such acts would transcend terrorism and be regarded as nearly war-like. Conversely, though, U.S. employees living in an alien land are deprived of the protection afforded by their own government. Such representatives are therefore usually on a par with host-nation citizens in their exposure to the general climate of security. Where political or economic conditions are sharply disadvantageous to human needs or rights, threats to public order may become common.

A key problem in dealing with the threat to Foreign Service personnel is their inherent conspicuousness. A foreigner is usually more interesting than a local citizen, and incidents committed against his or her person are more likely to attract attention, particularly when the "forbidden fruit factor" comes into play (i.e., the temptation to flout international law or recognized norms of conduct to transfix an audience that would otherwise be indifferent to a terrorist group's goals). If, as Walter Laqueur believes, "Terror is always far more popular against foreigners than against one's own countrymen," it is not difficult to understand why terrorists target exogenous institutions and their staffs. Close association with an unpopular host-country government or its policies can also encourage attacks against Foreign Service personnel, especially when a regime can block or ignore those acts directed at itself. A regime based on violence—or whose repressive actions provoke violence—must share the blame with those who react violently against its policies by attacking U.S. officials in its protection.

Measuring the Problem

The primary goal of any effort to increase security for the U.S. diplomatic community abroad is to preserve an atmosphere in which Foreign Service employees can carry out their functions and thus serve the national interest. However, the prevention of assaults upon official Americans should also constitute an integral part of the "national interest" in effective bilateral relations.

A terrorist target can avoid capture or physical harm only through adequate preparation. As Richard Clutterbuck has noted, "The greatest single factor in reducing . . . risk is to be seen to take active security precautions. Neither political terrorists nor criminals can afford a fiasco, so they always look for a soft target."

The effectiveness of these measures to combat terrorism directed at American officials is difficult to quantify, since success is defined in negative terms—the absence of incidents. However, indirect measures can be obtained. For example, an exhaustive analysis of *all* attacks, including unsuccessful ones, on a comparative basis can highlight the common characteristics of victims. Education and training sessions could then be assessed to determine whether their content adequately reflects this new knowledge. The incidence of terrorism before and after undertaking a major commitment to anti-terrorist activities in a given nation could be compared, but key variables other than U.S. government spending might distort the results.

An alternative measure would be to correlate the incidence of *threats* to actual attacks, on a country-by-country basis and in cooperation with other nations' embassies. Where threats are frequent and actual violence common, the relative incidence of attacks might be analyzed to determine whether any one embassy has adopted more useful countermeasures. If threats are frequent but actual terrorist operations rare, analysis may reveal measures that have already minimized vulnerability. Developing a scale to measure civil violence might be helpful in identifying high-risk areas, but the assignment of blanket values to an entire country or even only a post within it would not reflect the intensely local character of terrorist activity. It is unlikely that any quantitatively oriented analysis could provide much data beyond the basic numerical boundaries of incidence.

What the U.S. Could Do

START A WIDE-RANGING EFFORT TO UPGRADE PRESENT SECURITY-AWARENESS PROGRAMS, COUPLING MANDATORY MINIMUM STEPS ABOARD WITH ACCESS TO MORE ADVANCED ANTI-TERRORIST TRAINING FOR FOREIGN SERVICE PERSONNEL.

Expanding the present regional security officer program by assigning additional officers to most embassies and many of the larger consulates would help increase access to expert opinion and provide informed analysis for threat evaluation. These specialists could—as they already do—recruit host-country citizens to set up and run security-advisory services for post employees.

Since many incidents occur during commuting, access to an evasive-driving range in the Washington metropolitan area could pay off by allowing those so motivated to learn how to use their vehicles to escape attackers. The State Department has already initiated and required attendance at a counter-terrorism course for its personnel assigned overseas; with as much justification, it could require its employees already abroad to obtain a security evaluation of residences before rental, and to have landlords agree in contracts signed to upgrade any remediable deficiencies. The department could also assign higher priority to training efforts (it allocated only $851,000 for "Training Material and Equipment" in the $35-million budget supplement requested of Congress in April 1980). Given that Foreign Service personnel tend to circulate widely in host countries and would be professionally remiss if they were to confine themselves to fortified embassies, increasing their knowledge of anti-terrorist

techniques, in contrast to post-strengthening programs, would minimize their attractiveness to attackers away from work.

INCREASE INVESTMENT IN PROTECTED HOMES AND VEHICLES, AND PLACE RESTRICTIONS ON PERSONAL ACTIVITIES.

Armored vehicles to carry personnel to and from work at certain posts could become a mandatory form of transport. Then, investment in secure quarters (in which residence would be required) could be increased as a follow-up to the proposed capital improvements in the April 1980 supplemental request. Acquisition and transportation costs of the necessary materials would be high for several years but would cease upon completion, leaving only operating expenses. Staff morale could suffer in such an environment, particularly if some personal activities are prohibited, unless the situation has deteriorated to the point where attacks are no longer potential but real. The image of the mission in the eyes of the host government might be adversely affected.

ASSIGN MARINE SECURITY GUARDS TO BODYGUARD DUTY AND INCREASE THEIR PRESENCE AT POSTS LOCATED IN HIGHLY UNSTABLE AREAS.

Salary costs to extend Marine bodyguard protection to the Ambassador and selected lower-level officials would entail high expenditures, and on a recurring basis, depending on the number of persons to be protected. Protection would increase for only a small portion of total embassy staff at most posts, leaving substantial numbers of employees no better off. Supply bottlenecks would develop as training facilities became overtaxed, and U.S. military agencies could be expected to object to State Department requests for sharply higher numbers of highly trained soldiers. Host country governments might also object to an increase in military presence.

WITHDRAW U.S. PERSONNEL FROM UNSTABLE OR DANGEROUS ENVIRONMENTS BEFORE SUCCESSFUL TERRORIST OPERATIONS DIRECTED AGAINST THEM OCCUR, RETURNING THEM WHEN CONDITIONS PERMIT.

Evacuation of diplomatic agents is normally undertaken only as a last resort—when they have already been the objects of attack or if intelligence and policy goals are no longer attainable under prevailing conditions. The new policy would treat the safety of Americans serving their government abroad as a national goal in itself, and replace the philosophy that lives can be left in jeopardy to enable Washington analysts to follow internal developments up until the final stages of a security breakdown.

Precisely because it assigns a lower priority to intelligence-collecting, this policy is unlikely to be adopted until a major attack causes the death of a significant number of diplomatic or consular officials in a civil disorder or war. It would also face objections from the employees themselves, who would stand to lose most of their possessions in a sudden evacuation (not to mention the possibility of severe damage to and unauthorized occupation of U.S. facilities).

EXERT VIGOROUS BILATERAL AND MULTILATERAL PRESSURES TO ENCOURAGE PUNISHMENT OF TERRORIST PERPETRATORS OF ATTACKS ON U.S. EMPLOYEES ABROAD.

The political dimension of terrorism forces many nations to deal with terrorists outside normal criminal procedures. Given the inevitability of recourse to outside pressures on behalf of convicted terrorists, the United States could use political and economic pressures to bring the lesson home that a higher price might be paid for releasing terrorists than for meting out punishment. This policy could involve severe conflict with competing national interests, however, particularly if a country is of high strategic importance to the United States or enjoys unusual domestic political support. (For example, Sudan released the terrorists responsible for the murder of our ambassador in Khartoum to the "custody" of the PLO, but yet it is a friendly nation whose security is important to regional stability.) Domestic business interests with investments in such nations could also be expected to argue against a strong policy of this nature, and its application could be limited by court order in the United States.

George W. Ball has formulated a convincing case for a multilateral approach in which cooperating nations agree to withdraw their diplomatic staffs from countries whose governments have supported or deliberately failed to prevent attacks upon an embassy. But this policy would not work in cases such as the Sudan incident, particularly if Western governments yield to the same pressures on behalf of imprisoned terrorists.

SEEK TO HAVE OTHER GOVERNMENTS TREAT TERRORISTS AS "UNPRIVILEGED COMBATANTS," DRAWING AN ANALOGY BETWEEN THEIR ACTIVITIES AND THOSE OF SPIES AND SABOTEURS DURING WARTIME.

W. Thomas and Sally V. Mallison have pointed out that "an 'unprivileged combatant' fights for public purposes in a public, armed conflict but fails to meet one or more of the requirements for privileged status. Spies and saboteurs are unprivileged as a rule." The United States could encourage other governments to adopt a policy that terrorist attacks upon diplomatic staff constitute a "public armed conflict" and urge that they make provision for penalties similar to those given spies and saboteurs. This approach would recognize that a terrorist act is not simply a criminal violation but one that includes a political component. At the same time, it would deny any right under international law for imprisoned terrorists to receive the special status or treatment accorded ordinary prisoners of war. It would provide a basis for more severe penalties for criminal acts committed for political purposes.

Its disadvantage is that it could be used by other states to justify internal repression. The United States could not request other countries to adopt such measures without doing so itself, which could be integrated into current jurisprudence only at great cost to the American system. And, in the end, the cost might be greater than the benefit since, as Walter Laqueur has observed, "The basic question is not whether terrorism can be defeated; even third-rate dictatorships have shown that it can be put down with great ease. The real problem is the price that has to be paid by liberal societies valuing their democratic traditions."

Thus, terrorism presents a dilemma to all free societies. Yet, if we fail to take measures to combat attacks against all our diplomats, their

(Continued on page 40)

Drawing by Tom Gibson

H. M. Embassy to Brigand Leader: "You should never give him lobster, and he's really best without/ potatoes, cream and butter, for they tend to make him stout."

Poem reprinted from Diplomat in Peace and War, *1949, with the kind permission of John Murray (Publishers) Ltd., London.*

Sir Hughe's Fantasy

On leaving Iran in 1936, a British envoy calculates his worth

By JAMES S. PACY

It is probably very safe to say that not too many Americans would recognize the name Sir Hughe Knatchbull-Hugessen. But, if one is informed that James Mason once starred in a motion picture titled "Five Fingers," in which Mason played the role of the Albanian valet of a British ambassador to Turkey during World War II, probably a larger number of Americans would call to mind the part of the ambassador. That real-life British ambassador was Sir Hughe, unfortunately best remembered for having had a valet, as the aforementioned movie showed, who sold copies of secret documents from Sir Hughe's embassy to the Germans under the codename "Cicero."

But there was another side to Knatchbull-Hugessen. British diplomats recall him as a producer of verses which reportedly were passed from mouth to mouth and from embassy to embassy. What brings him to mind in 1981, as the American diplomats have been released from Iranian captivity, is precisely one such poetic effort.

Following a tour as British minister to Iran, Sir Hughe wrote a poem, "Pricing a Plenipotentiary," an imaginary story of how he, a diplomat, was kidnapped and held for ransom. The poem is replete with references to "brigands" and "bandits," and bureaucratic haggling about ransom payment. While Sir Hughe wrote the verse to amuse himself in leisure moments during his post-Iranian assignment as British ambassador to China, he did come to face the real issue of a diplomat's worth when a Japanese aircraft attacked his car, causing him temporary spinal paralysis. Sir Hughe's autobiography treats compensation for suffering endured while in the Foreign Service as follows:

> When the government had received the news of my adventure in China they very generously decided to award me a sum of five thousand pounds as compensation. This was indeed soothing balm and in due course it was granted to me by a vote of Parliament. One of my first acts on reaching London was to ask to see the prime minister to thank him for this gift. Mr Neville Chamberlain and I discussed the position in the Far East for a few moments, after which I expressed my very real gratitude for the award. His reply was not exactly what I had expected. "Well, you see," he said, "we wanted to impress the Japanese with the value which we set upon an ambassador." This was a new point of view to me.
>
> The whole affair puzzled the financial authorities at the Foreign Office greatly, even more perhaps than the problem which I had imagined for them in the poem I had written in Peking. There seemed to be no precedent and the intricacies were more than usually complicated. They drew up a memorandum headed
>
> "Sir H. Knatchbull-Hugessen.
> Shot—August 26th, 1937"
>
> in which they reviewed the different methods by which my problem could be treated and asked me to choose between them. Naturally, I chose the one which brought me most compensation for being put on half-pay, which the regulations (since changed) made inevitable.

Sir Hughe was born on March 26, 1886, in Britain, attended Eton and Oxford, and entered the Foreign Service in 1908. His command of languages included German, French, Persian, Arabic, Russian, and Chinese. During his career he served as minister to the Baltic States (1930-1934), minister to Iran (1934-1936), ambassador to China (1936-1937), ambassador to Turkey (1939-1944), and ambassador to Belgium and minister to Luxembourg (1944-1947). Among the other calamities sustained in his diplomatic career, his 16-year old daughter Althea was hit in the head by a stray bullet while in China, but was not seriously wounded. Sir Hughe died at the age of 84 on March 21, 1971.

1. H.M. EMBASSY, PEKING,
TO FOREIGN OFFICE

"Urgent: Important: and all that sort of thing.
His Majesty's Ambassador last Friday left Peking
To spend a few days' holiday beyond the Chinese Wall.
But now we fear,
From what we hear,
He mayn't come back at all.

"A band of bloody brigands, who roam the countryside,
Unmindful of his dignity have brutally defied
His diplomatic privilege, and carried him away
All tired and cross
Upon a horse
Where to, we cannot say.

"The leader of the bandits, of evil reputation,
Has sent to us by messenger a curt communication
The gist of which is simply this, that failing prompt arrival
Of £ *s. d.*
There soon will be
Small hope of his survival.

"They specify the sum required. We fear you'll think it comic,
Although we've checked it carefully it's still quite astronomic.
For just one million dollars they'll consent to set him free,
They'll send a bandit
To whom we'll hand it
With your authority.

"We venture to submit that, though it probably is true
That he himself would be no loss, from wider points of view
We should not let them murder him, because to H.M.G.
The loss of face
In such a case
Just think what it would be!"

2. FOREIGN OFFICE TO H.M. EMBASSY

"Your urgent telegram to hand.
Why did you send it overland?
I would remind you that the charge
For land-line telegrams is large,
And that it would appear absurd
To spend about a pound a word
Except on messages of weight
And real importance to the State.
We will consider what you say
And send you a reply some day.
Meanwhile we beg you to contrive
To keep the Ambassador alive
Without committing us to spend
Any large sum to avert his end:
And if you can establish touch
You may inform H.E. how much
We sympathise with his sad plight.
You may not reach him, but you might."

3. MINUTE BY CHIEF CLERK'S DEPARTMENT

"The following considerations
Arise in all such situations—
(a) Which cost least, when all is said,
Ambassadors alive or dead?
If dead, the incidentals may
Whittle whatever's saved away;
But we must not omit to mention
No question would arise of pension.
If living, on the other hand,
We save successor's outfit and
His journey East by P. & O.,
Which is the way he'd have to go.
(b) What's the proper definition
Of the Ambassador's position?
Is he on local leave, or what?
Entitled to his *frais*, or not?
If he's beyond the Chinese Wall
He isn't at his post at all;
He has strict orders not to go
Messing about in Manchukuo.
Journey and tips we cannot pay
While he is in receipt of *frais*.
And what about his salary?
Because no doubt he's living free.
(c) These deductions must be made
From what is ultimately paid.
But even so we think the ransom
Is quite inordinately handsome.
We've yet to meet the diplomat
Who's worth the hundredth part of that.
We would suggest, divide the figure
By twelve, and offer nothing bigger:
This has the added satisfaction
Of ending in a vulgar fraction.
China Department now to see,
And then approach the Treasury."

4. FOREIGN OFFICE OF TREASURY

"I am directed by the S. of S.
To draw Their Lordships' notice to this mess.
The correspondence which I here transmit
Speaks for itself, and for the rest of it
He is inclined to think it would be best
To get this tiresome matter off the chest
By offering a reasonable fee
To be paid over as indemnity
Against a signed receipt and to arrange
That H.E. should form part of the exchange.
The sum is for Their Lordships to decide,
Especially as they're sure to override
Any suggestion which they have not backed.
I am to add—(Their Lordships will subtract)—
That grave political considerations
Can't fail to influence our calculations,
For in the East they have a thing called Face,
As you would know if you were in our place:
Now, as this matter may be rather pressing,
An early answer would not be distressing."

5. H.M. EMBASSY TO BRIGAND LEADER

"We thank you for your letter. We have telegraphed the sense
Immediately to London, but you'll think it no offence
If we have to keep you waiting for another week or so
Until they say
How much to pay
And you can let him go.

"Meanwhile we have no doubt that in your hospitable care
His Excellency's better off than almost anywhere:
But all the same we send you, while we chance to think of it
A hint or two
On what to do
To keep him really fit.

"You should never give him lobster, and he's really best without
Potatoes, cream and butter, for they tend to make him stout.
He's accustomed to a little gentle exercise each day;
He has no fear
Of bottled beer,
He puts a lot away.

"Don't talk to him at breakfast, don't make his bath too hot,
Don't let him get excited, it would injure him a lot.
He responds to gentle treatment, and we guarantee you'll find
He will not fret
Or get upset
If you are really kind.

"But he simply hates discomfort and is miserable at nights
In proximity to beetles, bats or anything that bites.
Please: not too hard a pillow—but we know you'll give your eyes
To make his stay
From day to day
An earthly Paradise."

6. TREASURY TO FOREIGN OFFICE

"With deep regret the Lords Commissioners
Of H.M. Treasury have read the news
Of how His Majesty's Ambassador
Has been sequestered in the Chinese Hills.
Moved to compassion, they endorse the words

Of sympathy already telegraphed
And now command me to reiterate
Their earnest hope that he may be released.
Talent and virtue and experience,
Courage, resource and high self-sacrifice,
Such as we know in him, are qualities
The loss of which the State can ill afford.
Thus would Their Lordships reason were it not
The naked truth that he's a prisoner
Whose services can only be retrieved
By a transfer of considerable sums.
So in their grave anxiety for the State
Perforce they ask themselves which matters most
Talent or talents, competence or cash?
And if 'tis true (which they are prone to doubt)
That the above-named qualities are his
They would observe that, useful though they be,
By nature they are abstract, fugitive,
Dwelling no more in one than in another
And probably far less in him than most.
Through willing to admit such gifts exist,
My Lords regret that they cannot assess
Or value them in any currency:
Therefore they clearly can't consider them.
Nor can they offer more than half-a-crown
For the Ambassador himself, as such.
He clearly can't be classed as work of art,
Objet de vertu, genuine antique,
Or interesting curiosity.
Unless the First Commissioner of Works
Would like him as an ancient monument
Or other relic; or perhaps the Zoo
Would take him as some strange orang-outang
Or Giant Panda (no offence implied).
But in such case Their Lordships don't see how
The Principal Establishment Officer
Could justify his present rate of pay.
Therefore My Lord command me to regret
They find no case for special treatment here.
As to the last and most important point,
My Lords agree that something must be paid
To save the face of H.M. Government—
(Though they deplore this oriental term)—
The memorandum forwarded herewith
Fully explains Their Lordships' attitude
And you will see they hesitate to fix
The right amount to be defrayed on Face.
So, for these reasons, I am to suggest
That in an inexpensive telegram
You authorise the bid of half-a-crown
For H.M.A. in person, and besides
The minimum that can be fixed upon
To meet the needs of policy: but yet
It must be understood that the half-crown
Creates no precedent but is allowed
Ex gratia (thank Heaven for that phrase!)."

7. H.M. AMBASSADOR TO EMBASSY, PEKING
"Tour Number 1 of April 1st.
Though I've no cause to fear the worst,
I hope you'll hurry up and pay
For I should like to get away.
Meanwhile, though it may reach you late,
I send this Life Certificate.
I certify that I have been—
At least till Friday, March thirteen,
Discharging at my post the work
Which, as you know, I never shirk;
And since that date can fairly boast
I have continued at a post
The which, though not my own, is still
About as hard as one could fill,
And to the which, when I've despatched
These lines, I shall be re-attached."

8. F.O. TO PEKING
"We've now composed our final views
And here's the language you should use.
'My Government won't tolerate
This frightful insult to the State
And you had better go to Hell.'
If they refuse to do so, well,
First you will have to beat them down
To two and six, or half-a-crown,
For H.M.A. and add thereto
The lowest sum that they can do
For politics, prestige and Face.
That half-a-crown's an act of grace,
And for the rest you should not go
Beyond £200 or so."

9. H.M. EMBASSY, PEKING, TO F.O.
"We have received your telegram, but feel in duty bound
Before we act to warn you that we fear it gives no ground
For any kind of settlement: the only thing will be
The brigands will turn nasty and make mincemeat of H.E.
We venture to suggest that, quite apart from agitation
In the Press and House of Commons and indeed throughout
the nation,
You'd only contemplate with somewhat serious objections
His Majesty's Ambassador distributed in sections."

10. BRIGAND CHIEF TO H.M. EMBASSY
"Thanks for your message. Rest assured
Your chief will very soon be cured
Of all those ills whose origin
Is overeating in Peking.
Although perhaps not quite de luxe,
We can assure you that our cooks
Can roast and boil and bake and fry
And that in course of time they'll try,
Unless you think a gentle hash
More likely to produce the cash.
Meanwhile to keep him warm and clean
We're getting in some kerosene
Which, if you do not quickly pay,
We'll use on him some other way.
We note you think we'll give our eyes
To make his life a Paradise;
We don't know what your meaning is,
But shall we send you one of his?"

11. H.M. AMBASSADOR TO EMBASSY, PEKING
"It seems to me the atmosphere
Is definitely changing here.
Instead of bringing China tea
The brigands shake their fists at me
And frequently, no doubt in jest,

They point their daggers at my chest.
The post which I have occupied
Since I arrived is now supplied
With sundry gadgets which suggest
A wish to rob me of my rest.
How would you like it after meals
To find your head below your heels?
(Not that the cooking here is such
That I'm inclined to eat too much)
Or to have little splinters thrust
Into your ribs and calves and bust
And little drops of water shed
Quite rhythmically on your head?
The crying need for h. and c.
Is slowly overwhelming me.
There is another fellow here
Who's been with them about a year
And whose relations far away
Show no alacrity to pay.
Last night they filled him to the brim
With petrol, and set light to him:
And if you are not quick, you see
I think they'll do the same to me."

12. MINUTE BY FAR EASTERN DEPT., F.O.

"We hesitate to disagree
With pundits of the Treasury,
But we're inclined to hold the view
That we shall have to save Sir Hughe:
The tree up which Their Lordships bark
Is not the one that hits the mark,
Nor are we dealing with one tree
But a whole forest, can't they see?
And if they won't discern the wood
Their barking does more harm than good.
Let's quickly send them on these views
For there is little time to lose."

13. TREASURY TO FOREIGN OFFICE

"Your letter of July the twenty-fourth
Has roused My Lords' unmitigated wrath.
They fail to grasp your reference to trees:
The Board of Agriculture deals with these
And kindred subjects and they've thought it better
To send them on this portion of your letter.
And finally Their Lordships must remark
That in no circumstances do they bark.
They much regret they do not see their way
To go on talking about what to pay
Until your tone is slightly more correct.
I am, with little truth and less respect
And no obedience or humility,
The Secretary to the Treasury."

14. EXTRACT FROM WEEKLY SUMMARY. AUGUST 20TH

"The deadlock spoken of before
Increases daily more and more
Last Thursday the Committee rose
'Midst Interdepartmental
blows,
And all the minutes had to be
Re-edited exhaustively,
For no Department could
admit
They had not got the best of it,
And many members turned
quite red
On reading what they'd really said.
The meaning of the word to bark
Has left them fairly in the dark
And till they've found a compromise
On this, the rest will not arise.
Meanwhile, from everything we hear
From the Far East it's all too clear
That things will grow extremely hot
Unless we cut the Gordian knot."

15. CHORUS OF BRUTAL AND SELF-SEEKING SECRETARIES

"Hell! Is there nothing we can do?
Or soon there'll be
A tragedy
And we shall look extremely blue!

"Heaven! But do things look so ill?
For there should be
A vacancy
Which we should be prepared to fill.

"Gosh! We shall miss his friendly face
Ah yes! but yet
We must not fret
For someone else will take his place."

16. H.M. AMBASSADOR TO FOREIGN OFFICE

"I have escaped across the wall,
And nothing has been paid at all.
The brigands suddenly took fright
And bolted off at dead of night.
P'raps they were startled by the sound
Of seismic rumblings underground
Or possibly they heard me snore
(For life has been a fearful bore).
But anyhow they dashed away
And when I woke at break of day
I was alone, lashed to my post,
No traces of the robber host,
In half a jiffy I was free
And heading for the Embassy.
I'm sending separately a list
Of all the things that I have missed,
The bottle opener, the flask,
The safety razor and the cask
Of extra strong insecticide,
The donkey that I loathed to ride
And all the rest.
But I must state
Since I returned I've sat up late
And read, with no attempt to smile,
From end to end the gloomy file.
I'm gratified indeed to see
The Lords of H.M. Treasury
Would go as far as two-and-six
To save me from my painful fix.
It isn't much, but anyway
It's pleasing to reflect that they
At least were willing to agree
That something should be paid for me
In contrast to the bandits, who
Never insisted on a sou,
But bolted off to God knows where
And left me sitting, priceless, there." □

Hands Across the Rio

How the U.S. and Mexico Spurred Private Business to Rejuvenate the Border Towns

By HOWARD V. RIGG

In 1960 sand and sun and little else connected the western sister cities of the Rio Grande. One pair, Ciudad Juarez and El Paso, were poor towns living a poor existence on the river's edge. In 1960 even the life-giving *bosque*, that primeval swamp in the midst of the desert, fed by the dead water of the river, was diminished. It had lost its dark green and black shade more than thirty years before. It was a victim of the farmers on both sides of the border who were lured by its lush landscape and began claiming its land for beans, chiles, and cotton. The extinction of the *bosque* was concurrent with the extinction of the river in the area: New Mexican farmers, with the help of the U.S. government dam project at Elephant Butte, channelled the river's waters into their fields, reducing the Rio Grande to an inconsequential stream by the time it finally reached the Texas border. Further irrigation by Texas farmers, in the forty-mile stretch of range in Texas between New Mexico and Mexico, changed the river into a series of still, muddy pools.

Besides farming, in those days the workers of Juarez earned their way in countless endeavors. In these enterprises, Spanish eyes always pointed north. Professional *tiendas* (storefronts), such as dental clinics, optical clinics, barber and beauty shops, divorce studios, and auto body shops, were able to compete favorably in both price and quality for the border trade. Nightclubs, bars, and dancehalls with their attendant *parqueros* (men who parked and protected cars in their charge), *cigarreros* (salesmen who hawked smuggled American cigarets), and "hooks" (guides who enticed tourists to visit certain amusement centers) flourished during that time. Similarly, retail activity focused on the U.S tourist trade, offering cheap art works, handicrafts, liquor, leather goods, and silver.

Industrial Depression

Industry, however, was minuscule and entirely light, almost completely geared toward home consumption. Geographically, Juarez is at a midpoint on the U.S.-Mexican border, away from the populous industrial centers of Mexico—1230 miles from Mexico City, 742 from Monterrey, and 1103 from Tampico. Transportation costs prevented Juarez from competing in these markets. Because of this depressed business climate, unemployment in those years ran from 30 to 40 percent. Many people gave up hope and silently waited for an opportunity to go north in search of work.

Finally, the Mexican government recognized the perilous situation on the border. The administration of President Adolfo Lopez Mateos moved to remedy matters. First, the land fronting the border needed to be more appealing to attract Yankee tourists and investment. Mateos called a series of mid-winter meetings in 1959 at La Camara de Senadores in Mexico City to spell out initial plans for his Programa Nacional Fronterizo.

These plans remained in abeyance until June 1962, when President Kennedy visited Mateos in Mexico City. United States control of the Chamizal Territory between El Paso and Juarez entered the discussion between the heads of state. A Mexican transformation of the word *chamiza*, a stunted, desert bush predominant in the area, El Chamizal was the name of a 400-acre island cut away from Mexico by extensive flooding in 1864. After the flood, the island was claimed by both nations. Subsequent negotiations (in 1884, 1889, 1910, and 1911) to settle the matter failed. For a century the wound festered. Kennedy, however, with an eye on the Cuban situation, sought a solution that would strengthen the United States' voice at the Alliance for Progress and in the Organization of American States. He urged new negotiations to help U.S. relations in its hemisphere.

In January 1963, the United States and Mexico ratified a new Chamizal treaty. The pact divided the disputed territory, with Mexico receiving 437 acres—366 from El Chamizal and 71 from U.S. territory east of Cordova Island. In addition, the river course would be channeled and new bridges built, at a total cost to the United States of $43 million, plus relocation costs for more than 5000 persons.

Kennedy was assassinated before the settlement was enacted, but President Johnson carried the Chamizal plan through by formally transferring the land to the new Mexican president, Gustavo Diaz Ordaz, in October 1967. In December 1968, Johnson and Diaz Ordaz stood in the center of the new Bridge of the Americas, presiding

Howard V. Rigg, a plant manager in a Juarez maquila *since 1974, is a free-lance writer on U.S.-Mexican relations.*

over colorful ceremonies that signalled the end of the century-long dispute. The sister cities now were joined by a physical bond.

With El Chamizal in hand, Mexico continued improvements. Government buildings were contructed under the bridges. El Chamizal became a park, replete with athletic fields, picnic grounds, and memorials. Congress authorized that the land on the U.S. side be administered by the National Park Service. On the impressive grounds there is now a bicultural theater offering a beautiful setting for such events as the annual Border Folk Festival.

The areas on both sides of the border were connected with concrete freeways, complete with cloverleafs weaving in all directions. Modern shopping centers sprang up. The face of America was transported to the border.

The Campaign Begins

To attract industry, both governments sponsored an advertising campaign in business, trade, and specialty magazines. Executives were flown in to see the possibilities for themselves. Promises were made. Land was offered at discount prices. Buildings would be constructed at cost. Import tariffs for machinery would be waived. Import-export specialists with international experience were recommended. And, for most, the clincher: the Mexican minimum wage for factory workers was less than half the U.S. minimum. In the view of top management, the shortrun success of the program seemed assured.

Today, one can see the effects of these plants, called *maquilas*, on the Mexican economy. The *maquilas* operate in Mexico under a special tax treatment for plants assembling, finishing, or processing raw materials and equipment anywhere in Mex-

Mexican worker Antonio Chavez finishes laser-drilled wire dies in United Technologies* maquila *in Juarez. (top)

ico, regardless of origin, but using Mexican labor, utilities, packaging, etc., with the final product returned abroad. All foreign items used by such plants are considered imported on a temporary basis, but industrial machinery may remain in the country until it ceases to be used in production. When the product is completed, it is returned to the United States, usually under tariffs that only tax the value added by the Mexican operation.

Under President Nixon, the State Department enacted the Generalized Systems of Preferences for Third World Nations in 1975. The GSP stated that friendly developing nations were permitted to export some 2800 manufactured goods duty free into the United States, provided that 35 percent of the value of the product—labor and raw material—was indigenous to the developing nation. While the *maquilas* provided the Juarez area a much-needed infusion of capital, their foreign ownership was often construed by the Mexican people as a sellout by their government. The GSP soothed these people by charging nothing for Mexican entrepreneur imports while forcing the *maquilas*, which could better afford it, to pay import fees.

In the Juarez area today some 57 *maquilas* dot the landscape. They include some of the largest names in U.S. industry: General Electric, General Motors, GTE, General Instruments, RCA, Sylvania, United Technologies, Westinghouse. Total investment by participating companies exceeds $350 million. Some 20,000 Mexicans earn $80 million a year in wages and salaries. In 1981, the exports from the *maquilas* should approach $1 billion.

Juarez is emerging as a major industrial center. Technical problems encountered in the throes of its rebirth have been cured. Visitors to the plants cannot escape being impressed by the willingness, dexterity, and persistence of the Mexican workers. Mexican supervisors, management trainees, and accountants often prove invaluable to American companies because of their familarity with local customs. Those clichés about sombreros, siestas, and banditos have dissolved.

But what good is all this to the United States? In the best tradition of foreign aid, the special incentives and breaks provided to American business have resulted in a more secure southern border and a lesser direct outlay of aid. As any border resident knows, the international boundary is not a rigid wall but rather a permeable membrane, readily permitting Mexican influences to reach north and United States influences to expand south. Juarez and El Paso are not two cultures but one area with a people living under similar conditions. In the poorer border areas, Mexicans sometimes flee their home and become illegal aliens to get better jobs in the United States. Though nobody is sure how many are part of the U.S. economy, the cost of policing the problem, to say nothing of the lost tax revenues, is immeasurable. Undoubtedly, U.S.-aided employment of Mexicans in Mexico benefits both sides.

Benefits to El Paso

A recent study of the economic impact of the *maquilas* in Juarez on El Paso reveals that approximately 14,000 workers are employed in the *maquilas* and spend 45 percent of their $41-million annual wages in El Paso. Some 450 more workers are employed in primary logistical jobs in El Paso. Other *maquila* effects on El Paso are the $59-million yearly cash flow through its banks, $1.8 million in annual lease payments, and $40 million spent there for provisions and services. Obviously, the loss of these dollars would affect El Paso immensely.

According to the Chamber of Commerce, in 1965 El Paso's industries provided 16,000 jobs for a labor force of about 102,000. From 1965, the advent of the *maquila* program, to 1974, El Paso manufacturing employment increased to more than 30,000 jobs—almost double—while the labor force grew only 39 percent. El Paso had been a chronically depressed area kept alive largely by nearby military installations at Fort Bliss and White Sands. Today, tough development problems still exist on both sides of the border, but because of concerted action to attract more industry, a growing manufacturing base exists to feed even more local inudstry. Because of this base, several firms are considering plants in El Paso to serve as springboards to the oil-rich Permian Basis of west Texas.

But more important than Mexican pesos is El Paso's development of a system of bilingual/bicultural managers, accountants, and technicians. This corps of experts serving in an ever-widening range of international specialties—shippers, lawyers, engineers, insurance agents, bankers, retailers, brokers—stands at the gates to Central and South America. South is a direction important to the future of the United States. To the south is an area of immeasurable potential in raw materials and future markets

To a certain extent El Paso was ripe for industrial development because it is a sunbelt city. Non-union wages are cheaper and construction rates lower than in the north. A warmer climate and proximity to Texas oil and natural gas make energy less expensive. Finally, future sources of energy, whether Mexican oil or solar power, augur well for relocation to El Paso. Nonetheless, each of these factors is also present in Phoenix, Tucson, Albuquerque, Lubbock, Dallas, and Houston, each of which has gained far more industry per capita in the past decade than has El Paso. The point should be clear that El Paso, with its special problem of distance from markets, has nonetheless vastly improved as a result of the *maquila* program, a model of cooperation between two governments and the international business community. □

THE JOURNAL

Our Spy In

By H. FRANKLIN IRWIN JR.

Mortimer Melville Jackson, onetime attorney general of the territory of Wisconsin, former circuit judge and supreme court judge of the state of Wisconsin, sailed into Halifax harbor one day late in August 1861. The *Halifax Morning Chronicle* had already heralded his appointment on August 13: "Judge Jackson of Wisconsin has been appointed American consul at this post."

Gazing at the busy port scene, the new consul recalled the hectic past half year. His party, Lincoln's Republicans, had taken office in March; the war had begun in April. Too old at 52 to serve in the armed forces, Jackson sought the help of Secretary of State William H. Seward, a friend of his youth in Rensselaer, New York. The president offered him the consulate at Halifax, but he was unimpressed until the secretary persuaded him of the importance and sensitivity of the assignment. He was to be one of "Seward's war consuls" whose duty. aside from normal consular activities, was to engage in espionage against Confederate agents. The service attracted him after the secretary explained the need to ferret out Rebel activities in Halifax. There followed weeks of briefings, chaos, red tape. Finally, he swore that he had never resided in Great Britain. Before sailing from Boston, he collected $145 as "compensation for services for 27 days time."

He had aspired to the consulate general in Montreal, but the Department of State considered it its most important post in British North America, and had given it to one of greater political influence. Jackson was resolved to pursue the Montreal appointment, but for the present he was pleased with his old friend's trust in him. As he mused, Jackson saw a splendid harbor unfolding before him that stretched six miles north and south. So deep was it that the largest ocean-going vessels could dock at the crowded wharves. Overlooking it all, the Citadel frowned down upon the hundreds of ships.

Consul J. E. Vinton was awaiting his successor. He had been at Halifax only two months, but was resigning because of ill health. When the amenities were over, Jackson asked to walk to the consulate, which was a few blocks away on Bedford Row, in a neighborhood of ship's brokers and chandlers. As they proceeded along Water Street, Vinton pointed to three ships flying the Union Jack. The vessels, he said, belonged to Yankee merchants who had switched their registries to Great Britain to acquire the cloak of British neutrality. Thus, they could sail more safely though the Federal blockade of Confederate ports. These three had sailed from New Bern, North Carolina, and arrived with cargoes of naval stores and tobacco. To add insult to injury, they brought eight prisoners taken by a Confederate privateer. They would have to be repatriated as distressed seamen. Vinton failed to appreciate the Rebel joke. Further, the Halifax merchants who had bought the cargoes were demanding certificates of origin and value, in order to sell the goods in Boston and New York.

Vinton said that he had cleared the first such shipment, informed the Department of State, and requested instructions to break up the South's trade with Northern merchants. No instructions had arrived. Jackson asked what he should do. Vinton replied that without instructions, he had already rejected the latest applications, but now it was Jackson's problem. A few days later, Vinton was gone and the judge was on his own.

The weeks wore on without guidance from the department. Jackson was aware from his own experience that the department was burdened with over-worked, under-trained political hacks and some Southern sympathizers. This situation commonly caused ministers and consuls to act on their own. Jackson devised a plan.

The ship *Emery* arrived from Savannah with a cargo of naval stores. The *Halifax Chronicle* quipped, "Where is the blockading squadron?" Jackson issued the certifications and informed Washington that he had also advised the collectors of customs at Boston and New York of the possible arrival of contraband goods. "If a right of seizure exists," he wrote, "it can best be done at the destination." He repeated his request for instructions.

Common Blood

Nova Scotia and New England, bound by ties of blood and economics, shared a common attitude on slavery. This had led the Scotians to support the Union. However, Lincoln's early insistence that his single purpose was the restoration of the Union, not emancipation, had disillusioned many. Despite this, Northern recruiting agents offering bounties of $300 enlisted many Nova Scotians. Before the war's end, 30,000 Canadians would have fought on both sides. In Boston, a Nova Scotian regiment was raised, and a company of Halifax militia, in Highland dress, fought at Bull Run. The press followed their fortunes, and weekly casualty lists appeared.

For Jackson the problem was not the towns and villages, it was the city merchants who were tempted by the profit opportunities in trading with the South. These merchants were his most powerful and influential foes. Not long after his arrival in the city, seven ships owned by several local merchants were intercepted off Cape Hatteras by the Union Navy. Despite protests, the vessels were condemned by Yankee prize courts.

One morning, the deputy consul,

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"The Journal" is a new section for historical articles and personal accounts by our readers.

Nova Scotia

the Reverend Nathaniel Gunnison, dropped on Jackson's desk copies of the *Montreal Commercial Advertiser* and the *Toronto Leader* containing editorials denouncing the Federal "detectives" who "flooded" Montreal and Toronto. These men "hung around rail stations, hotels, bars and worked in telegraph offices." Then, lightning struck in Halifax. The *Journal* attacked Jackson, charging that the "despicable minions" of Washington did not confine their labors to commercial matters. "It may be well for our merchants to know that certain individuals frequent the Reading Room for the express purpose of reporting their conversations to the Head of the Spy Department in this city."

The consul had built an effective organization of informers, but he had failed to keep his distance from them. Characters familiar with the grog shops and Barracks Street bordellos, opposite the Citadel, dropped by the consulate. These muffled friends, his consular agents at the outports, shipping clerks, and telegraphers provided him with dockside fact and fiction. A few harbor pilots kept him in touch with Union naval vessels hovering just beyond Nova Scotian waters.

In his prosperous neighborhood on Hollis Street, he became *persona non grata*. His neighbors no longer greeted him or joined him in their daily drives to their offices. Their ladies snubbed Mrs. Jackson. Mrs. Jackson, childless and in delicate health, found the loneliness, the raw, cold, windy city, and her husband's work almost more than she could bear. The consul was shaken by the vituperation of the press but drove himself harder. Eager to defend the Union cause, he took to the hustings. A talented and court-hardened lawyer, he was unperturbed by the hostility of some listeners.

Secretary Seward's dislike of England, the braggadocio of the American press, and the loss of ships on the blockade line angered Canadians, and they pushed Whitehall to

Civil War consul Jackson watched Rebel activities in Halifax

action. In December, three British regiments were landed in Halifax, two went west to Upper Canada to secure the border. One remained in the city to train the militia and reinforce the Citadel's garrison. Jackson sensed enmity almost everywhere he moved in the city, where he was now distrusted. By military telegraph he submitted his staff's reports on cargoes and sailing dates. He would describe the ship fully: profile, tonnage, cargo, whether sail, steam, or both, propeller and/or sidewheels, length, beam, color, and funnels. The consulates in Canada could communicate speedily with Washington, and this facility at Halifax caused the Confederates to expand their West Indies bases at St. George's, Bermuda, and Nassau, Bahamas. Also, ships sailing from Nassau to the Confederate ports had the advantage of making two-thirds of the voyage in the protection of the neutral waters of British territory. Halifax dropped in importance to the South for about eighteen months, until the 1863 and 1864 yellow fever epidemics in the islands drove the small ships back to their base in the North.

When the British mail packet *Trent* was intercepted and two Confederate agents, John Slidell and James Mason, were taken from her by a Federal ship, Jackson began to fear for his safety. The mobs were

In 1864, the sea raider **C. S. Tallahassee** ***began preying on Yankee merchantmen off Halifax***

in the streets, and the press fanned the anger of the people. More troops were dispatched to Canadian garrisons. But Lincoln pulled back from the brink, stating, "It's what we fought for in 1812 . . . we'll drink our own tea." The men were returned to the British, and Richmond mourned the loss of a prospective ally.

As the war dragged on, Jackson watched Halifax become a Confederate haven. Rebel prisoners, escaped from prisons in Ohio and New York, found their way across Canada to the port. Fed, clothed, housed, and well-entertained, the men waited to return South by blockade runner. Southern officers, agents, and politicians en route to or from Europe enjoyed the hospitality of many sympathizers. A group led by William J. Almon, M.D., and the merchant adventurers Ben Wier and Alexander Keith Jr. were conspicuous in this work. Jackson succeeded in infiltrating the coterie, which proved the unwitting source of much information. Wier and Keith were near neighbors of Jackson. They were jealous of their rights as British subjects; insisting upon their right to trade, they were heavily invested in blockade runners.

Paid Informants

Jackson's operations were succeeding, but he soon found that these extra-consular activities could not be supported from the sums provided. He was forbidden to hire clerks at the public expense and was forced to pay his informants from his own salary of $2,000. This experience was shared with most of his colleagues. Toward the end of the year 1862 he learned that C. W. Giddings, consul general at Montreal, was leaving the post. He wrote to Secretary Seward requesting promotion to Montreal but was turned down. He found himself both the beneficiary and the victim of the spoils system in which he served.

After two years in Halifax, he applied for leave because of Mrs. Jackson's "delicate state of health." Although he had been told that a visit to Washington while on home leave was not necessary, he was working in the bureau there during the period of the *Chesapeake* affair.* The Northern merchantman

**This incident is known to historians as the second* Chesapeake *affair. The first incident involving a ship of the same name occurred in 1807 and led to the War of 1812.*

Chesapeake had been taken on the high seas southwest of Portland, Maine, by 16 Confederates acting under a letter of marque signed by President Jefferson Davis. They fled to Nova Scotia and were captured by an American naval vessel in British waters. Only three prisoners were taken. The action infuriated Haligonians and rekindled American-Canadian hostility.

Jackson, in Washington, took hold of the situation, advising Assistant Secretary Frederick W. Seward and firing off instructions to Deputy Consul Gunnison. Aware of its transgression in neutral waters, the Navy agreed with the Department of State to the delivery of the ship and three men to Provincial authorities for disposition by the courts. Jackson instructed Gunnison to hire legal aid and to swear out warrants for the arrest of the men by the sheriff of Halifax. The hand-over on the wharf went awry when a group led by Dr. Almon and Ben Wier seized one John Wade, put him in a dory, and had him rowed to Ketch Harbor shouting, "Thank God and Queen Victoria for my freedom." The lieutenant governor was mortified by this comic opera scene and upbraided the sheriff, who had refused to make the arrest until the men had been unmanacled and had walked around the wharf as free men.

Seward, in a note to the British minister, Lord Lyons, expressed the President's "regret and disapproval of acts of force" by the Navy. He warned the minister, however, that the United States would have to consider the adoption of "extraordinary precautions with regard to dealing with Nova Scotia." It was decided to impose controls on Northern exporters to the Maritimes. All cargoes were to be bonded as security against their sale and transshipment to the South.

While in Washington, Jackson appealed for increased funding of his post. He wrote, "At present the salary is insufficient to enable the consul at this post to support his family and properly discharge the duties of his office. . . ." In a second letter, this to Frederick Seward, he requested $300 to pay informants who had "aided in several important captures." Seward agreed, and Jackson was ordered to keep the money "separate from your regular consular disbursements." That Jackson may have been in dire straits is suggested by the curious message Gunnison sent to him in Washington on December 18, 1863: "Creditors will wait until the next steamer. Come then. Don't fail."

The Tide Changes

Back in Halifax after nearly three months' absence, the consul found the new year opening with the arrest of Almon, Wier, and others for their part in the escape of Wade. The men could not be charged with helping a prisoner to escape, for Wade had never been a prisoner of the Crown; therefore, they were charged with interfering with the police. The grand jury found "no bill." Jackson was depressed, and was little cheered when he was twice commended for his work on the *Chesapeake* incident. Frederick Seward wrote that "the diligence with which you have furnished useful evidence in regard to the *Chesapeake*, together with your intelligent analysis thereof, receives the commendation of this department."

The tide had turned at Gettysburg, Vicksburg, and elsewhere. In Halifax, the last year of the war brought angry protests from the speculators, objecting to the bonding of cargoes against export South. The Rebel presence increased, and sailors from the blockade runners, escaped prisoners, and agents of the Confederacy swaggered in the streets. There were so many in and out of uniform, and many of them armed, that Jackson was convinced that there was a plot afoot. He was also plagued by Yankee draft dodgers, many of whom fraudulently sought assistance from the consulate. When the Confederates established a coaling station at Ben Wier's wharf, the resulting rise in the small ship traffic and privateers forced Jackson to cry for help. On August 23 he wrote:

> Duties of this consulate are ordinarily laborious, and require constant and unremitting care . . . but the additional demands upon my time made by the more extended operations now carried on here by the Confederates suggest the necessity of having a loyal, faithful, and confidential clerk to assist me.

Watching the blockade runners arrive almost daily, the consul became aware that among them were several ships that had been refitted and armed as privateers. According to street and dock talk, they were on the prowl for Northern fishermen and commercial craft. A consular agent reported several were stationed in the Gulf of St. Lawrence. Jackson called upon the Navy to station several fast ships outside Nova Scotian waters to protect the fishing fleet.

Then, suddenly, the sea raider *C.S. Tallahassee* appeared out of the fog, and Jackson realized the full potential of Wier's coaling depot. British minister Lord Lyons informed the Foreign Office that the *Tallahassee*, Captain John Taylor Wood commanding, had taken 54 Yankee merchantmen on her voyage from St. George's to her station in the North Atlantic. He commented on the furious Union outcry and warned London and Halifax of the new and serious threat to Anglo-American relations. Jackson, through Washington, appealed to Lieutenant Governor Sir Richard MacDonnell to detain the ship, and protested the 48 hours allowed her for coaling and repairs.

Dr. Almon entertained the ship's officers lavishly. Almon made a gift of a new mainmast. Captain Wood took the occasion to request an additional twelve hours to step the new mast. The authorities granted the time. Captain Wood, fearing to leave the harbor in daylight to face the

Yankee ships he suspected were awaiting him, weighed anchor, and with a pilot lent by Ben Wier took his ship through the Narrows in the dark of night, a feat believed impossible. The ruse angered Jackson, but in time it was to help strengthen his hand against the Rebels.

Within a few days the *Tallahassee* had sunk six ships off Cape Sable, and the consul renewed his plea for fast naval vessels that must carry pilots familiar with Nova Scotian waters. These talents, he told the department, were available at Gloucester and Cape Ann. The *Tallahassee* was reported coaling at sea, and Jackson sought to have the coal deliveries from blockade runners stopped and the ship arrested if she returned to port. Governor MacDonnell replied that since the ship was at sea, and the consul could not prove her alleged depredations, it would be an act against British neutrality to detain the vessel "on the chance of evidence being hereafter found of her having violated international law."

Next, his agents at the outports informed the consul that the *Tallahassee*, cruising in the mouth of the Gulf of St. Lawrence, had sunk 20 Yankee fishing vessels off Cape North. With this action, her career in northern waters ended. At the advent of autumn, she sailed south to a brief and unglamorous service as a blockade runner in search of a port. She failed to reach a Confederate haven, and ended the war in Liverpool, England, where the courts handed her over to the American consul. She was sold at auction for the government's account for £4,500, less than a quarter of the cost to build her.

The year had not been a happy one for Jackson: although he had won victories over some blockade runners, the *Chesapeake* and *Tallahassee* incidents were hard to accept. Despite flattering commendations for his "vigilance and activity," he was again refused the consulate general at Montreal and told that it could only go to the "cat (which) has the longest tail." As in previous years, every request for detention of ships loading supplies for the South had been refused by Provincial authorities.

As the war approached its end, the Confederates renewed efforts to embroil the North and Great Britain in war. Jackson continued to comment on the number of Rebels in the city. John Brain, the leader of the *Chesapeake* "pirates," was in town for several days but was not arrested. The consul reported that Brain was a leader of 300 men organizing "to seize, plunder, and destroy United States vessels in the Great Lakes." Seward passed this message to the British chargé with a note requesting that the consul at Halifax no longer be required to approach the Provincial officials through the British legation in Washington. He argued that matters were much too serious to continue to brook delays. His note listed all the city's "crimes" as reported over the years by the consulate:

> Halifax has been for more than a year . . . a naval station for vessels running the blockade . . . and it has been a rendezvous for piratical cruisers which came out of Liverpool and Glasgow to destroy our commerce. . . . Halifax is a postal and despatch station in the correspondence between the rebels and Richmond and their various emissaries in Europe. Halifax merchants are known to have

> surreptitiously imported provisions, arms and ammunition from our seaports and transhipped them to the rebels. . . . Merchant shippers of Halifax are willing agents and abettors of the enemies of the United States; and their hostility has proved not merely offensive, but deeply injurious. When Nova Scotia shall cease to abet our enemy, she will find that we cherish no memories of her past injuries.

The Foreign Office approved the chargé's recommendation to accede to Seward's request, and Jackson was instructed to negotiate directly with Lieutenant Governor MacDonnell "relative to projected hostile proceedings in the Province of Nova Scotia against the United States." The consul wondered how much more successful he might have been if he had been able to deal directly with MacDonnell and his predecessors over the previous three years.

A large quantity of arms and ammunition arrived from Boston consigned to one of the Confederacy's agents. Appealing to the lieutenant governor, Jackson succeeded in having the cargo impounded. Shortly thereafter he reported that the Confederate border plots had been postponed pending Canadian court decisions against the St. Albans, Vermont, raiders. There were signs everywhere of the impending collapse of the Confederacy. Officers and crews of blockade runners appeared in the consulate requesting passports and asking to take the oath of allegiance. An officer privy to the Great Lakes plots gave Jackson information and promised to testify against others in return for a full and unconditional pardon. His approach to the consul was made through a Nova Scotian. Jackson's refusal to issue visas to Wier and Keith was debated in the Legislative Assembly in March. A few days later an editorial appeared in the *Chronicle*, attributed to the owner, a former premier of the Province, Joseph Howe. He attacked the sympathizers and agents of the Confederacy, saying that they had caused the United States Senate to refuse to extend the Reciprocal Trade Treaty. Jackson simply commented that the paper had never been a supporter of the Northern cause. Public and official attitudes were turning back as victory appeared certain for the North.

When the war ended, Jackson disbanded his group of informants and became engaged in such postwar problems as repatriating low-level Confederates who had been amnestied. Many who were not eligible settled in Nova Scotia to build new lives. Most notable of these was Captain Wood, late of the *Tallahassee*, who returned with his family and, with the aid of Dr. Almon and Ben Wier, became a leading figure in commercial and social Halifax. It fell to Jackson to perform the unpleasant task of informing Nova Scotians disabled in the Union's service that they were not eligible for pensions. During lengthy negotiations of fishing rights, he prepared a study of Canadian fisheries and fishery law that was internationally proclaimed a model of contemporary fact and law on the subject.

Peace brought its relaxation of tensions. Consul Mortimer Melville Jackson and Mrs. Jackson found themselves "rehabilitated" in social Halifax. Mrs. Jackson died in Halifax in 1875. At long last, in 1880, Jackson was promoted to consul general. But his health was gone, and he retired in 1882 to a solitary existence in a Madison hotel. He died in 1889. □

Foreign Exchange

People

Norris Swift Haselton

Norris Swift Haselton, career minister in the Foreign Service, died of cancer May 1 at his home in Washington, D.C.

Mr. Haselton spent 29 years in the Foreign Service, rising to the rank of career minister in 1960. During his career he served in diplomatic and consular capacities in Guadalajara, Mexico, Manchester, London, Calcutta, New Delhi, Santiago, Chile, Rio de Janeiro, and Wellington. He attended the National War College in Washington 1948-49 and served as the Department of State's adviser to the Naval War College in Newport, R.I., 1954-57. He then served as deputy inspector general of the Foreign Service in charge of the departmental inspection program until late 1961, when he was detailed as acting inspector general of the AID program, an assignment that continued until 1962. He became inspector general of the Foreign Service in June 1962, a post he held until his retirement in 1964.

Born in Cleveland, Ohio, on October 27, 1902, Mr. Haselton was a graduate of Lawrenceville School and Princeton University, Class of 1925. He was a member of the Quadrangle Club at Princeton and his Washington clubs included the Metropolitan and DACOR (Diplomatic and Consular Officers Retired). He was also a member of the Washington Institute of Foreign Affairs. He enjoyed sailing on the inland waterways and Chesapeake Bay, out of Annapolis.

Survivors include his wife, Elizabeth Garrett Haselton, Norris Swift Haselton Jr., of Arlington, Va., and a brother, William D. Haselton, of Tucson, Ariz.

The family suggests that expressions of sympathy be in the form of contributions to the American Foreign Service Association's Scholarship Fund, 2101 E St. N.W., Washington, D.C. 20037.

1981 AFSA/AAFSW Merit Award Winners

The Honorable H.G. Torbert Jr., chairman of the AFSA Committee on Education, has announced that the four review panels of 24 volunteers from State, AAFSW, AID, and ICA have completed their work on the 1981 AFSA/AAFSW Merit Awards. This year, the $500 awards for academic excellence are given in honor of Lesley Dorman, past president of AAFSW, "for her years of devoted work to that organization and to the Book Fair," which provides funds for AAFSW's contributions to the scholarship programs.

The 22 high school seniors who are winners of the 1981 Merit Awards are listed below. The September *Foreign Service Journal* will include pictures and brief biographies of these talented Foreign Service Juniors. Congratulations!

Michael J. Abramowitz
Ruth E. Baker
Dina P. Barbis
Joan C. Becker
Cynthia S. Carr
Marc A. Cohen
Tamara L. Cohen
Carol C. Coleman
Landreth M. Harrison
David N. Kockler
Christopher T. Landau
Leonard F. Lattanzi
Sheri G. Lyman
Joan Midthun
Kathleen K. Olson
Scott M. Sipprelle
Marie J. Sullivan
Bruce J. Swenson
Elizabeth B. Teare
Margo True
Katherine E. Watkins
John S. Willems

The following students received Honorable Mention:

James A. Albright
John R. Barry
Mark P. Dickson
Derrick C. Fennell
Serena Mary Herr
Ann L. Hoganson
Alexander W. Joel
Paul Y. Kiyonaga
Derick C. Marsh
Carol A. Mateer
Ian N. McIlvaine
Phalika C. Ngin
Melanie Pugh
Elizabeth Raddy
Henry J. Ritchotte
Ruth A. Rudel
George J. Sampas
Elizabeth M. Squire
Rebecca K. Wajda

Protecting Diplomats

(Continued from page 25)

spouses, and children, terrorists will inevitably test the chain of diplomacy for the weakest link.

Shortly after the seizure of the American hostages in Teheran, the 12-year-old son of a Foreign Service officer was walking near the American embassy in another Mideastern country. Suddenly, a mob approached him in the narrow street. Not wanting to run, he stepped aside to let them pass. They did not pass. Within seconds, the mob had surged around him and cut off retreat.

"Are you American?" their leader demanded in English. Frightened and cut off from escape, the boy replied, "Yes." "Good!" answered the mob leader. "We like Americans." It might not always happen that way. □

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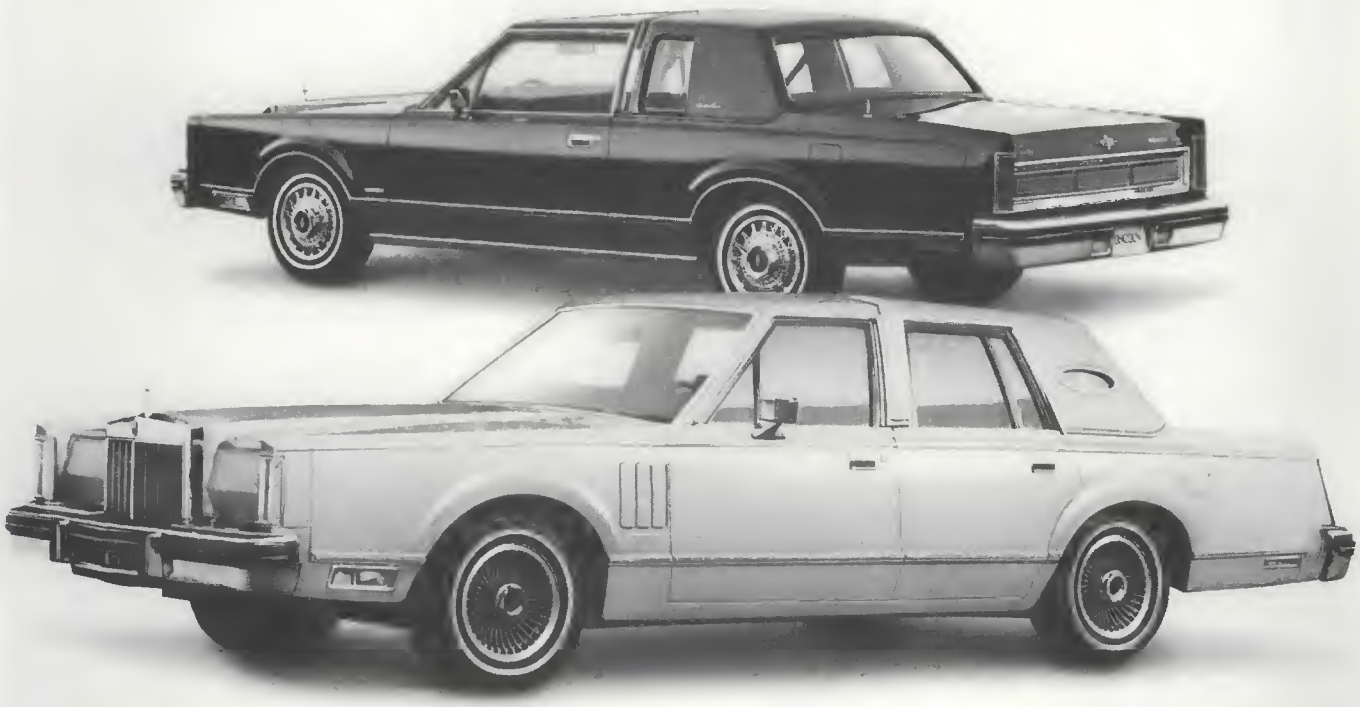

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