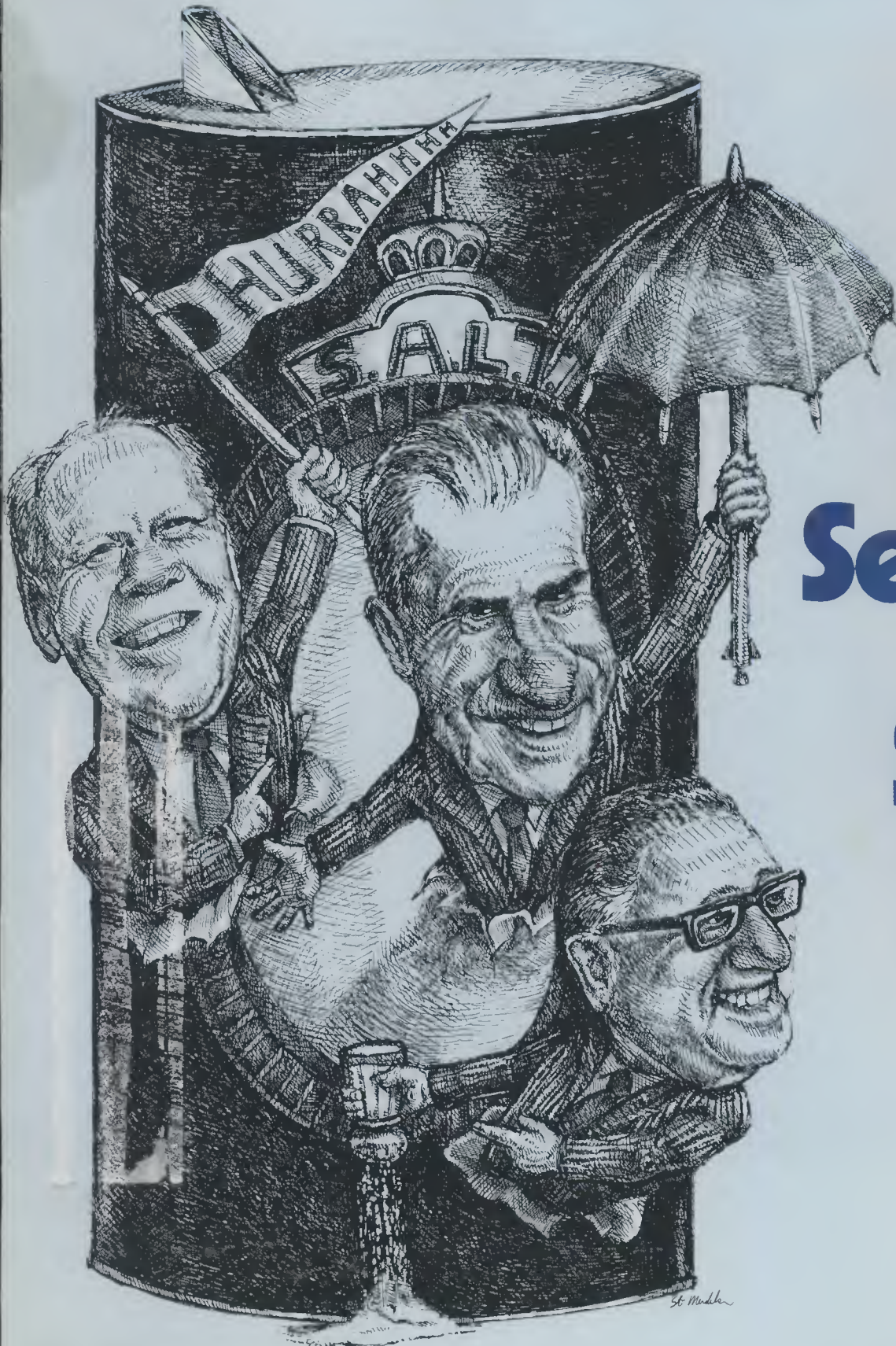


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LETTERS

Qualified Record

Re Bruce Laingen's article "Diplomats & Terrorism" [September], I wonder if it is correct to claim that, before Iran, "from the 16th century down to the present time no receiving state has authorized or condoned the breach of a diplomat's personal violability." The siege of the Peking legations by the Boxers in 1900 seems to contradict that claim. "The Boxers were volunteer militiamen, organized and encouraged by the government to block the designs of the foreigners . . . to divide the empire into spheres of influence" (William L. Langer, *An Encyclopedia of World History*, Houghton Mifflin Co., Boston, 1948). There must be other violations, at least the entering of diplomatic territory and dragging people back by the police of totalitarian states, such as the Soviet Union. I myself, while visiting as a diplomat

the Soviet embassy in Helsinki, have been put behind a locked door, for a few minutes.

But because the Boxers were not able to overcome the defenders of the legation compound in Peking, Bruce Laingen may (although I am not sure) still qualify for the *Guinness Book of World Records*.

PILTTI HEISKANEN
Moedling, Austria

Ambassador Laingen responds:

Since it would be incorrect to say that I assiduously seek being thus memorialized in the *Guinness Book of Records*, I welcome Mr. Heiskanen's challenge. What I said was perhaps a bit categoric, a practice diplomats are encouraged to avoid. The Office of the Legal Advisor has reminded me that a better source for my assertion comes from *Satow's Guide to Diplomatic Practice* (5th Edition, 1979, Page 120). That source states that from the 16th century until the present ". . . one can find *virtually no instance* [emphasis added] where a breach of a diplomat's inviolability was authorized or condoned by the Government which received him."

Mr. Heiskanen cited the Boxer Rebellion as a kind of later precedent.

There may be others, including actions affecting certain diplomatic personnel in China during the Cultural Revolution there. But I think no one would question that there has been little, if any, precedent for the particularly egregious and sustained kind of offense to diplomatic practice of the kind we experienced in Iran.

Worsened Record

As I feared in my article on the appointment of ambassadors ["The Appointments Game," November], the Reagan administration has compiled the worst record in recent history in the appointment of non-career ambassadors. As of this writing, almost half—47 of 97, or 48 percent—are non-career. And others are yet to come. Moreover, Bermuda, a consulate general traditionally headed by a career officer, is being held open for Max Friedersdorf, chief of White House legislative liaison. It is also the first time, in my memory, that Paris, London, and Bonn are all occupied by non-career ambassadors. At the same time, upwards of 50 FSO-1's are over-complement, drawing high salaries without any responsibilities. While it is reasonable to expect that political spoils will be paid in the opening months of an administration, Reagan has a long way to go to get to the 27-percent level of non-career ambassadors appointed by President Carter.

CHARLES FOSTER
Washington, D.C.

Tragic Flaws

After reading both "The Indochina Tragedy" by James C. Thomson [July/August] and "A Flawed 'Tragedy'" by Martin Herz [October], I must admit that I, like Herz, can find very little good to say about the Thomson article. However, Thomson did make one very valid though subtle point. That is, policymakers in Washington have had very little time for and consequently very little understanding of the political dynamics of the world outside of Europe. Herz seems to bear out that point by what appears to be his own "one-dimensional" view of global politics. This view is eloquently summed up in his comment that ". . . Europe was clearly of infinitely greater importance to the United States, *as it still is*, [emphasis added] than anything that happened in Southeast Asia."

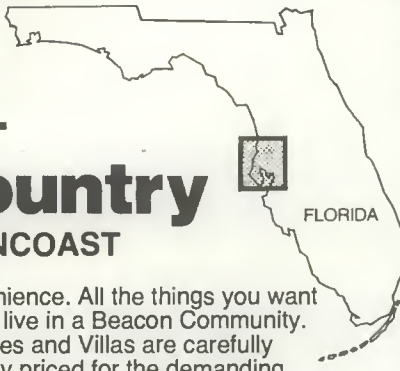
The tendency has been to focus on that which we understand, Europe, and discount as unimportant that

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which we do not understand, most of the rest of the world. This type of tunnel vision, which has pervaded U.S. policymaking through the last century and particularly the last forty years, has been one of the greatest failings of our foreign policy. It has forced us to follow policies of reaction rather than action and it has led us blindly and repeatedly into situations characterized by Vietnam. It does not take much imagination to see how our Euro-focus has also led us to mistakes and problems in China, Latin America, Africa, and the Mideast.

I cannot understand how anyone can say that an area of the world responsible for the loss of hundreds of thousands of human lives, fifty thousand of which were American, is "infinitely less important" than Europe. Perhaps if American diplomacy had taken a more balanced, global approach in the 'Forties and 'Fifties instead of a "one-dimensional," European approach, we would have realized early on the true importance of Asia and Southeast Asia (an area that accounts for a third of humanity). And, with that realization, perhaps we would not have needlessly sacrificed the fifty thousand Americans that died there.

The real tragedy is that too many U.S. policymakers have the one-dimensional view that Europe is of "infinitely greater importance" than other areas of the world. And, the tragic result of this parochialism has been the loss of credibility, prestige, and ultimately lives in those areas.

DAVID W. WILLIAMS
Washington, D.C.

False Advertising

A few months ago, announcements were made around Foreign Service circles encouraging women to apply for mid-level positions under special recruitment programs. The State Department and ICA were the promoters of this generous offer.

I and, I believe, several other hundred Foreign Service wives, embarked on a long process which, in fact, turned out to be a wild goose chase.

Keep the wives busy filling out forms, polishing resumes, compiling supplementary statements, writing essays; this seemed to be the order of the day!

Attrition was bound to deplete the ranks of the hopefuls. But even for the diehards like myself, who complied with all the requirements, only disappointment was to be found behind such enticing advertisements.

It is only after 14 months, and my repeated letters, that I heard from the State Department's employment division that the programs had been curtailed and, in some areas, terminated. And this, after I had been notified, ten months earlier, that I "qualified for further consideration" for a FSR mid-level position.

The main reason for the rejection, by ICA, of my application was that I did not have at least nine years of "progressively responsible" work experience. Obviously I did not! As the dutiful wife of a Foreign Service officer, I have accompanied him on his eleven assignments all over the world. The twenty-odd positions I have held in these various countries meant starting each time at the bottom of the ladder.

I was told that fifteen hundred Foreign Service wives had responded to the State Department mid-level recruitment program for a one-digit number of positions. I was also told that not a single woman has been hired, under the ICA mid-level recruitment program, since the beginning of 1981.

Today, drastic measures of limitations, and, in some cases, a complete freeze have been placed on the hiring of Foreign Service personnel. Circumstances have dictated this situation, and this is not what I am discussing here.

The point I want to make is the following: I resent the extent to which applicants have been kept in the dark as to the unrealistically low number of positions available and as to the decision taken by the recruitment offices on each individual case. Furthermore, I feel that the qualifications required for these mid-level positions are such that Foreign Service wives are, in a discriminatory way, automatically rejected.

In view of the above, I would like to make a suggestion. Please, give the facts to the Foreign Service wives; keep them informed; they can take it! Do not lure them with imaginary recruitment programs and with the hope of a job that never was.

NICOLE PREVOST LOGAN
Durban, South Africa

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

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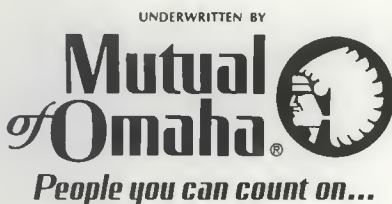
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BOOK REVIEWS

Iran Remembered

MISSION TO IRAN, by William H. Sullivan. W.W. Norton, 1981. \$14.95.

AMERICA HELD HOSTAGE: The Secret Negotiations, by Pierre Salinger. Doubleday & Co., 1981. \$16.95.

HOSTAGE TO MYSELF, by Richard Queen. Putnam, 1981. \$13.95.

These three books, written in punchy, readable styles, deal with distinctly different aspects of the Iranian adventure of the past half-decade. William Sullivan, one of America's most articulate ambassadors, offers a lucid account of his tenure in Iran and of the evolution of the Iranian revolution as he saw them in terms of U.S. policy. Salinger's effort, on the other hand, is a story of the hostage crisis, heavily dependent upon the perspectives of those who were marginally significant to the main events. Queen offers us a peek at the tense, yet boring life of a hostage.

For a Foreign Service audience, Sullivan's effort is by far the most interesting, though none venture deep into political analysis. Sullivan's account guides the reader through the thinking of a man who is playing a critical, if ultimately frustrating, role in easing the United States through the Iranian revolution. His distaste for the way the Carter administration handled the situation in Iran is obvious and well-documented. His description of the in-house negotiations surrounding the departure of the Shah illuminate the confusion that reigned in the Iranian political establishment as well as the uncertainties that beset all quarters in Teheran. Though not a veteran Mideast hand, he learned the essence of his job and the accompanying problems quickly. One might question the emphasis he placed on economic issues in 1977 when the principal problems emerging were political ones (some embassy officers did, but neither Sullivan nor Washington wanted to focus on the issue at that time). Nevertheless, his instincts were good. He rapidly mastered the arcane and elliptical Persian negotiating manners during November-January 1978, and

correctly foresaw the disintegration of the Pahlavi political system.

In contrast, Salinger's book is a disappointment. Very much a prisoner of his contacts, he seldom goes beyond them. Unfortunately, his best sources—French lawyer Bourget and Argentine promoter Villabon—were peripheral to what finally transpired to obtain the release of the hostages. The reader is treated to a detailed description of the process which led to the negotiating scenario of February-April 1980, but in the longer view of the crisis, this episode was a side-show. Salinger rarely mentions the abortive rescue mission, the shadow of which loomed over much that was done before and after. What he does do well is paint a vivid picture of some of the more depressing episodes in recent American diplomatic meanderings—for example, presidential assistant Hamilton Jordan and two State Department officers meeting surreptitiously with men who lacked effective contacts in their attempt to work out plans that might lead to the release of the hostages. But Salinger never touches on the deeper questions of whether and how the United States could have negotiated successfully with men whose avowed political aim was to abuse and embarrass the United States as long as they were able to do so.

Both Sullivan's and Salinger's books contain some sloppy errors. In Sullivan's case they do not affect his basic argument but simply provide informed readers with a nit to pick. For example, he is not quite square on the date when Marine Corporal Ken Krause was freed after being arrested during the February 14, 1979, embassy take-over and even fails to mention his own stiff-arm job on Prime Minister Bazargan which insured Krause's release. He puts the number of Americans in Iran in mid-1978 at 35,000 when his own consulate had pegged it at 54,000. Salinger's errors are more serious. He pompously announces that German Ambassador Gerhard Ritzel contacted the Iranian opposition while the Americans would not. Sullivan's book and others clearly lay that myth to rest. Salinger compounds the problem in his stentorian final paragraphs, claiming that the United States has learned nothing and continues to eschew contacts with opposition groups. A man with his experience as a presidential insider—he was President Kennedy's press secretary—should know better, or should have tried to inform himself better.

Richard Queen provides interesting insight into the problems and stresses of being a hostage. Written in collab-

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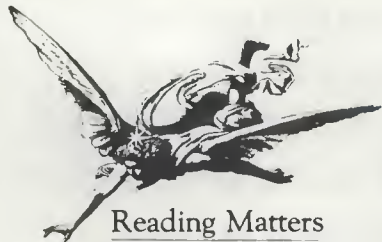
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oration with Patricia Haas, his book focuses almost entirely on his inner life and his reactions to being a hostage. His rather pithy picture of some of his student captors and his descriptions of the various activities he and his compatriots engaged in to make time pass give the reader a very good feel for life as a guest of the Iranian revolution. One occasionally wonders how much of the more general philosophizing is Queen and how much has been added by Haas, but this does not detract from the powerful descriptive passages about his daily living and from his courage

in coping with his illness and the fear of the unknown. Queen offers little analysis of the Iranian revolution, but then this is not that kind of book. Most Foreign Service readers will follow his narrative with an unspoken "Would I have survived as well?" or "There but for the grace of God. . ."

Queen's book tells us about the intensely personal experiences of a hostage. Sullivan provides a well-reasoned account of the evolution of U.S. policy as seen by the ambassador. Salinger's book takes up where Sullivan leaves off—the hostage crisis—and gives us a journalist's view of the negotiating minuet. None will do as a comprehensive view of the crisis; all will be important to serious students of Iran.

—JOHN D. STEMPEL

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ENERGY, VULNERABILITY, AND WAR: *Alternatives for America*, by Wilson Clark and Jake Page. W.W. Norton & Company, 1981. \$12.95.

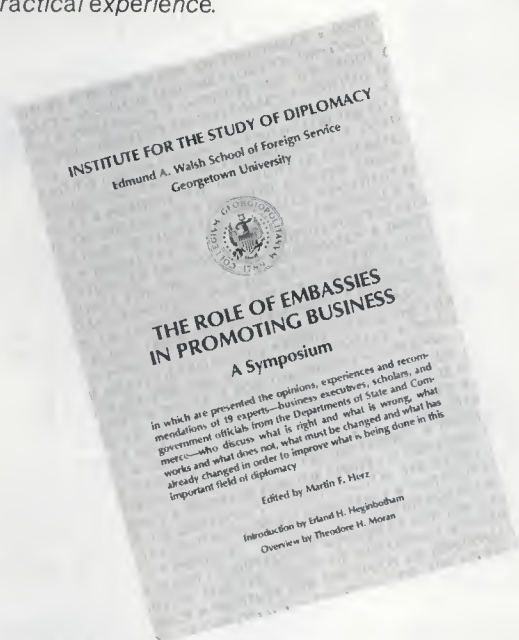
One of the first things that President Reagan did on occupying the White House was to turn up the thermostat and rescind President Carter's executive order setting temperature levels in public buildings. We are in the midst of another winter, and Reagan is busily dismantling the Department of Energy. It is an axiom of the New Right that one of the principal areas in which government should "get off the people's back" is energy and energy policy, letting the workings of the price system allocate fuel resources and stimulate the development of new supplies. But, Clark and Page suggest, because energy supply and distribution are important to national security, getting the government out of the policy game is a dubious strategy.

Author Clark was the chief investigator for a Defense Department team that studied the national security aspects of energy policy. The team found that, because of the United States' highly centralized energy system, it was incredibly vulnerable to an attack on its economic heart, the power system. In fact, the authors claim, two high-altitude, low-yield nuclear warheads exploded over the continental United States could wipe out nearly the entire power grid, mass transportation, emergency electrical systems, nuclear-power-plant control systems, communications, and private cars—a result of the nearly instantaneous high surge of radiation known as electromagnetic pulse, a sort of supercharged lightning.

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The book starts with a science fiction scenario in which during an international crisis in 1984 a few warheads from Soviet submarine rockets aimed at energy installations, including refineries, cripple the United States so devastatingly that President Reagan realizes retaliation would bring only further ruin and he sues for peace. It takes a generation for the country to rebuild—with Soviet help.

The authors use this improbable scenario—a fact they admit, what with any U.S. president's almost moral commitment to punch back—to launch a comprehensive criticism of national energy policy, from solar and nuclear to geothermal and even solar satellites. They then suggest areas in which the United States should concentrate, using, as an overall strategy, the maxim that small, dispersed, noncentralized installations contribute more to security—while costing less—than large, complicated ones, particularly nuclear facilities.

In fact, the reader is struck during their review of alternate energy sources by how much power is available. For example, heat pumps and cogeneration—the capturing of excess heat produced by generators—

could nearly put OPEC out of business. The reader is also struck at how foolish our utilities and their regulator, the government, have been by opting for large, uneconomic installations that produce more expensive power while enhancing our vulnerability, and for controlling energy prices for most of the post-war period. The authors look at the energy cost of manufacturing energy, something the supporters of the synthetic fuels and nuclear industries often fail to do, a practice that points up the advantages of smaller power plants, the use of alternate sources, and the need to support conservation as the most productive energy source of all.

Early in the book the authors show how badly Germany was hurt when Allied bombers began to concentrate on power installations late in the war. The bombings helped to bring the Third Reich to its knees. We should learn from our own lesson.

—S.R.D.

Irish Revolution

TERROR IN IRELAND, by Edgar O'Ballance. Presidio Press. \$14.95.

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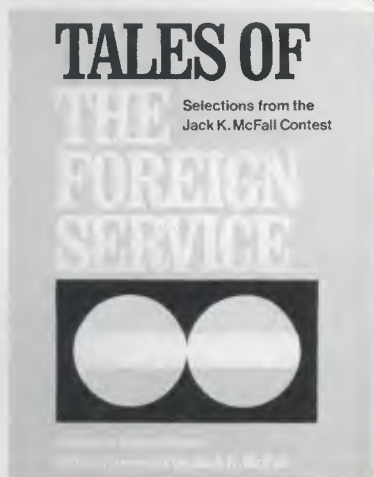
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many and Ireland. The German revolution produced the Weimar Republic and the Irish revolution the Irish Free State. Neither had a chance to fulfill national aspirations and both left a legacy of violence. This legacy and ideology of violence survives in Northern Ireland because it is as relevant today as it was in 1916. *Terror in Ireland*, basically a history of the Irish Republican Army, chronicles the IRA's long record of persistence in the face of repeated failures. O'Ballance explains the reasons for the failures but does not adequately examine the reasons for the IRA's tenacity and resiliency. There is little in this book about the social and eco-

nomic inequities in Ulster, the inability of workers and small farmers to move to a better situation, and the lack of realistic hope that things will improve for the Catholic minority. It is these factors that have socialized many individuals to lead lives of open revolt, discontent with order and blind to rational alternatives.

O'Ballance presents four possible solutions to the violence in Ulster. None of them is convincing. He ignores the likelihood that any solution involving an early withdrawal of British troops would simply result in a great deal of counterviolence by armed Protestant groups and perhaps even the possibility of a uni-

lateral declaration of independence by the Protestants. Only a solution acceptable to all parties in the conflict can last and that solution is not in sight. It is difficult for an outsider (O'Ballance is an English journalist) to understand that events in Ireland are not just politics—they are a confrontation between two hostile pasts and two different cultures. Blame can be assigned easily but solutions to the Irish Question will take more than a condemnation of so-called terrorism and a plea for power-sharing.

—CHARLES R. FOSTER

Introduction to Invasion

AFGHANISTAN: *The Soviet Invasion in Perspective*, by Anthony Arnold. Hoover Institution Press. \$9.95.

This short book is an excellent introduction to the events in Soviet-Afghan relations leading up to the Soviet invasion of that country in December 1979. A former intelligence analyst who served in Afghanistan, Arnold is at his best in describing the pre-invasion political scene in Afghanistan and how the bitter rivalry between the Khalq and Parcham factions of the People's Democratic Party of Afghanistan contributed to Moscow's decision to intervene. The author's writing style is light and makes the book hard to put down. However, Arnold's use of circumstantial evidence to suggest large-scale Soviet meddling in Afghanistan prior to the invasion, albeit probably a correct surmise, may make *Afghanistan: The Soviet Invasion in Perspective* of greater interest to the policymaker and general reader than to the scholar.

Of particular interest is the author's conclusion that Afghan-watchers failed to recognize the significance of the temporary reconciliation between the Parcham and Khalq factions of the People's Democratic Party in June 1977. Arnold believes that the animosity was so intense between the two groups that this could only have been accomplished as a result of Soviet pressure. This indicates that Moscow was at least forewarned of, and may well have prompted, the April 1978 coup which overthrew the government of Mohammed Daoud and brought to power the communist regime of Nur Mohammed Taraki. Concerning U.S. policy toward the Soviet occupation of Afghanistan, Arnold concludes that America now possesses a far wider range of policy options than it did prior to the invasion. He recommends that Washington see to it that the Afghan insurgents receive the weapons they need

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to go on fighting so that Moscow will be deterred from similar aggression elsewhere in the world. While agreeing with the author that a measure of U.S. assistance to the insurgents is warranted, this reviewer breaks company with him in believing that Afghanistan was a special case for the Soviets, and that Moscow was led to intervene there by the desire to prevent the establishment of a Muslim, anti-Soviet state along its borders rather than by the aim of bringing yet another nation of the world under communist rule.

—BENSON L. GRAYSON

Early Relations

THE UNITED STATES AND RUSSIA: *The Beginning of Relations, 1765-1815. General Services Administration, 1980. \$24.*

This is a fascinating volume for the history buff. A collection of documents drawn from manuscript collections in both countries, it was compiled under a program of cooperation between the National Archives and Soviet authorities in the Soviet Academy of Sciences, the Soviet Ministry of Foreign Affairs, and the Soviet Main Archival Administration. The

volume includes many documents not previously published. The contents were selected by a U.S.-Soviet committee of historians and archivists who supervised translation of the documents and simultaneous publication in both English and Russian.

The collection chronicles the sometimes fumbling efforts to establish contacts and develop relations between these two states, which were only just awakening to a role on the world stage and not yet powerful actors in world history. Scientific exchanges involving Franklin and the Philadelphia Academy were the first confirmed indications of mutual interest; science and technology continue today as major items in the contacts between the two countries.

After the establishment of initial contacts there followed the efforts of the revolting colonies to gain support from the Russians; the development of commerce and trade; Catherine the Great's refusal to lend George III troops to put down the rebellion; the letters of John Paul Jones, who served as admiral in the Russian navy; business correspondence between John Jacob Astor and the Russian-American Company; and correspondence from John Quincy Adams, the first U.S. minister to

Russia, during Napoleon's fatal winter campaign.

These are but some of the highlights of a book that offers many pleasurable pages of observation and detail. With such a successful beginning, one can only hope the cooperative spirit existing between specialists in the history craft can survive the political differences of the present and carry the series forward. While U.S.-Soviet relations, even those before World War II, may be too sensitive for joint compilation to be possible, much of the other history of U.S.-Russian relations remains to be uncovered by sifting through the respective archives.

—PRATT BYRD

Middle East Snapshot

THE MIDDLE EAST CHALLENGE: 1980-1985, edited by Thomas Naff. Southern Illinois University Press, 1981. \$12.95.

This book will be a deep disappointment to those looking for enlightenment on the future of the Middle East. The product of a Middle East Research Institute Workshop, it represents a snapshot of the conventional wisdom concerning the region in

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November 1980 rather than the projections of probable developments for which the organizers had hoped.

The book is framed by former Ambassador Herman Eilts's overview, which stresses that Middle East peace will of necessity remain the goal of U.S. policy in the near term. Camp David, he suggests, has accomplished a great deal but provides an inadequate framework for an ultimate solution to the Palestinian question. However, like many honest and well-informed critics of the Camp David process, Eilts does not suggest what he would put in its place. Nor does he indicate how, given the domestic political realities in the United States, Israel, and the Arab world, he would put any alternative framework into play. Although he minimizes the danger of direct Soviet intervention in the Persian Gulf, he agrees that gulf security is an important national interest. He acknowledges, furthermore, that the gulf will be plagued by turmoil and internal unrest during the next five years. Finally, he argues that Muslim "resistiveness" is likely to be a permanent factor in the Middle East.

Eric Rouleau, the *Le Monde* correspondent renowned for his coverage of revolutionary Iran, suggests that Khomeinism is primarily an Iranian phenomenon and will be difficult to export. He concludes that the prospects for stable leadership in the area are unpredictable.

Perhaps the most perceptive and original ideas can be found in William Quandt's analysis of the emerging consensus on the Arab-Israeli conflict among key actors in the foreign policy elite, particularly those in President Reagan's entourage. Quandt, without making explicit reference to the 1980 presidential campaign, demonstrates a keen understanding of the interaction between U.S. domestic politics and regional developments which led many people in the fall of 1980 to argue that the Palestinian issue should be relegated to the back burner. Stephen Rosenfeld, of the *Washington Post*, notes the force of Quandt's presentation but suggests that the internal dynamic of the Arab-Israeli dispute might lead to movement on the Palestinian question. The experience of the past year does not seem to bear out such an optimistic view. Progress, if it comes, will only result from U.S. involvement in the peace process.

Readers will be struck by the pedestrian quality of the political analysis in this slim work. Much of the volume's weakness stems from the fact that there is no solid underpinning to

the speculations offered by the panel members. Instead we are treated to the ruminations of several interesting men with extensive experience in the Middle East. Like most ruminations these would have been better left unpublished.

The section on economic and social issues is more rewarding if less readable. Essays on economic development prospects for the Arab states and the importance of migration and manpower policy are of particular interest. These studies, grounded in empirical evidence, shed more light on the future of the region than the reflections of the panelists on political matters. They do not, however, redeem the entire effort which, at \$12.95 for a 179-page paperback, is grossly overpriced.

—ERIC S. EDELMAN

Optimistic History

NICARAGUA: *The Land of Sandino*, by Thomas W. Walker. Westview Press, 1981.

In his effort to portray the Sandinista revolution in the best possible light, Thomas Walker has failed to produce a balanced history. He devotes a large portion of his book to criticizing the Somoza dynasty for severe violations of human rights, but his treatment of pre-Somoza Nicaragua is cursory and superficial.

Walker does correctly outline the basis of the difficulties in the development of good relations between the United States and Nicaragua. He cites the establishment of better relations between the two countries as Nicaragua's major foreign policy concern. The primary obstacles to an improved relationship are skepticism of the Nicaraguans, which resulted from United States support for Somoza, and a renewed cold war philosophy in Washington.

In reviewing the political and economic policies of the Sandinistas, Walker asserts that the new government sought a planned economy in which private enterprise would continue to have a role but would not operate without contributing to the national well-being. The author's analysis appears to have been overly optimistic in light of the October arrest of four businessmen and the repeated closings of *La Prensa*.

Over-optimism of this sort pervades Walker's analysis, making the book seem outdated already. Unfortunately, he allows his own sympathy for social revolution to get in the way of an objective evaluation of the Nicaraguan revolution.

—LISA DOYLE



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And Now Bermuda!

A general uneasiness seems to pervade the Foreign Service, although many aspects of life in the Service have never been rosier.

The lifting of the pay cap will make a tremendous difference to members of the Senior Foreign Service. The allowances provided for by the Foreign Service Act of 1980 are being implemented and give tangible benefits to those serving in dangerous and unhealthy posts. The new Separate Maintenance Allowance gives a new degree of flexibility in permitting dependents with responsibilities which preclude accompanying a member of the Service to his or her post to remain at home. The Act of 1980 itself brought significant pay raises to several categories of personnel, but unhappily not to most of the Staff Corps. This, as the saying goes, is the good news, and a lot of it is very good indeed. The Foreign Service in 1982 is receiving salaries, benefits, and allowances which have increased very significantly during the professional lifetime of many members.

Notwithstanding the foregoing, we of the Association sense growing apprehension that the Foreign Service is losing ground as opportunities in the Service are increasingly curtailed by the politicization of many jobs.

AFSA statements noting the very high percentage of non-career ambassadorial appointments by the Reagan administration have been countered by State Department replies that the ratio of career to non-career ambassadors remains within traditional limits. Both statements are true, but we believe Foreign Service anxiety is not diminished by statistical analyses. Last month we drew attention to the loss of positions in Policy Planning, the National Security Council, and elsewhere that used to be filled by Foreign Service officers. A friend has now calculated that 25 embassies with career ambassa-

dors have gone to non-career appointees this year, whereas only 12 have gone from non-career to career. This is what our members see. Furthermore, while it is routine to find non-career ambassadors again in West Germany, France, Luxembourg, and Switzerland, it is curious, to say the least, to find political appointees in Fiji, Finland, Guyana, Korea, Lesotho, Niger, Sri Lanka, Tanzania, and the United Arab Emirates. It is this drift toward the politicization of jobs traditionally filled by career officers which raises a good deal of apprehension (and some hackles). The latest example is the assignment of Mr. Max Friedersdorf of the White House to Bermuda as consul general. On the basis of the way things have been going, it is hard not to see this as a first step toward the assignment of political appointees to other consulates general. If it can be done in Bermuda, then why not Naples or Bordeaux or Montreal or Hong Kong? The Association is reliably informed that Mr. Friedersdorf is a most intelligent, capable, and charming person, and it does not doubt the president's authority to make this appointment. What it does question—and question bitterly—is whether it is wise to start down this path.

The United States is already unique in the degree to which it uses political appointees as ambassadors. Few countries do this at all. They believe—as does AFSA—that carefully selected and well-trained career officers will do a better job. The United States will be out on a new and very fragile limb if political figures begin to be introduced at ever-lower levels into American diplomatic life. If consuls general are to be political appointees, then the principle of a career service has vanished, and this would be a tragic loss.

We trust this particular assignment is an aberration and that no further similar nominations will be forthcoming. We hope we are not being naive. □

Working for

Over the years, foreign national employees have played a vital role in diplomatic operations overseas. Doesn't the Foreign Service owe them a better deal?

By MARJORIE SMITH

Over the past two years, as the new Foreign Service Act was shaped and passed, numerous discussions about the future of the Foreign Service appeared in the *Foreign Service Journal*, the State and ICA newsletters, and the cable traffic between Washington and all the posts. The concerns expressed certainly went beyond the personal and demonstrated a real concern for the work that we in the Foreign Service are supposed to accomplish. But little, if any, attention has been paid to a particularly vital personnel matter: the foreign national employees. What is their future? How is their morale? What is their relationship to the U.S. government, especially during transitions from one administration to the next?

In every era of budget cutting, Foreign Service national jobs seem to get slashed with far

Marjorie Smith is a former news reporter and editor. She joined the old USIA in 1975 and has served in Bangkok and Sapporo.

greater abandon than any other sector of the foreign affairs agencies. In my particular corner of the Foreign Service world — ICA Japan — we went through one bloody round less than three months into the Reagan administration, and we look ahead to more with dread. Rather than let wanton destruction continue unquestioned, I'd like to ask my Foreign Service colleagues to consider the Foreign Service nationals themselves, the work they do, and the effect of their loss on the work done by the U.S. officers.

My perspective is almost entirely an ICA one, but I believe that much of what follows can be translated into other agency experiences as well. In fact, though it is sometimes said that ICA's jobs for foreign nationals tend to be more interesting than State's jobs, and thus perhaps attract and hold more remarkable people, the State jobs certainly have their special requirements and characteristics. When we consider what a person risks in working for another government in his own country, we can readily see that people working in consulates, processing visa applications, make more potential enemies than those employed by ICA.

Key to Success

When I first entered the U.S. Information Agency a few years ago and underwent several weeks of orientation, a number of questions were being debated within the agency. Should audiences be even more sharply targeted? Should we forget about student programming entirely? Can the work we do be quantified well enough to use computers as an evaluation tool? Should we forget arts programming and concentrate on "freight" — political and economic topics? But one thing

was certain, reiterated countless times by the experienced hands who briefed us: The key to success is your local staff. Your most important relationships will be with your foreign national employees.

When the most recent class of new ICA officers was being briefed, the same refrain was undoubtedly recited, and I'm sure it will be included many times in the orientation of the next class. We are always saying that our local staff is our most important resource. We pay lip service to that idea almost daily. Yet, when the budget ax falls, it hits the foreign national employees first. After all, there are so many of them, scattered all over the world, it won't hurt to cut a few. With the fall of the dollar and worldwide inflation, foreign national salaries are not quite the bargain they once were. Besides, these people aren't voters; it's one budget cut with no backlash.

I nodded wisely when they told me six years ago how important my local staff would be, but I really didn't understand. I don't think anyone does, until they're actually overseas, trying to organize a seminar or arrange for an exhibit or put together a guest list for the DCM's dinner party or cope with the logistics for a presidential visit or publish a magazine in an exotic language or deal with pushy reporters at a time of strained bilateral relations. It's a theoretical understanding until one has overseas experience.

But after that, how can anyone forget? How can people who have spent years working in posts overseas agree so easily to cutting local positions before a glove is laid on Washington support staff, equipment and materials, and the officer corps itself?

I've served in two countries, Thailand and Japan. Both have extremely difficult languages

Cousin Sam

STATE



Personnel officer Anne Armfield (seated) meets with foreign national staff members at Dakar mission. When budgets are cut, the local employees are usually the first to go.

and, although FSI trained me to theoretically professional competence in both, the languages frequently stymie me. Both countries have cultures which are very different from our own, making a native guide through the morass of sensitivities and taboos essential. Both have been going through some crucial readjustments in

their relations with the United States during my postings. And both countries are rich in intelligent, competent, good-hearted natives, who for reasons sometimes incomprehensible to me, are willing to devote their work lives to another country's government — devote themselves, that is, to us.

But although my experience has been limited, I don't think it is atypical. There isn't a place in the world, including Canada, where I would want to go and open an American center all by myself. At the very least I would want an adviser to make sure I didn't offend with my Yankee brashness or my ideas of protocol and priorities.

Only Essential Element

In most of the world, I believe the local staff is the *only* essential element of an ICA operation. We could carry on valid ICA operations without library books. We could get along without films and videotapes, even though we might miss the panache of electronic glamour. We could continue to communicate with our targeted local audience even if another American lecturer never crossed the threshold of our building. We could certainly carry on valid two-way communication without computerized analyses of what we had done. And almost all of our work could go on without a resident American officer. But we couldn't run an American center, press office, or cultural section without a local staff.

At ICA Japan the foreign national employees have been essential in both public relations activities and in reporting and analysis. Recently, we have been doing frequent attitude assessments: What are the Japanese thinking and saying about the issues of the day? Since our answers are sometimes quite different from the concepts held sacred on the upper floors of the embassy by the political and economic officers, I would say there is some value in doing these exercises. We must be tuned in to some nerves they haven't touched.

How do I go about making my contribution to an attitude assess-

ment? Do I read a few newspaper editorials and balance them against my vast understanding of the tones and trends in Hokkaido editorials, based on my year's residence and my painfully slow reading of Japanese? Do I make a few phone calls to high ranking officials and based on our long and deep friendship (product of that same year) elicit their true feelings and beliefs? Not quite.

Local Perspective

My staff members, using their lifetimes of experience and the relationships they have developed over decades, collect comments and put them in perspective, analyze the press, and point out the trends. Then I filter their submissions through my own impressions of their particular biases, throw in a couple of comments that have made an impression on me, and pass the material on to Tokyo. I believe my editing improves the Sapporo submission, and not just in terms of English grammar. I think I do contribute a valid perspective to the staff work. But although the staff could feed raw and valuable material directly to Tokyo or Washington if necessary, without them, despite my serviceable Japanese language ability, I would be left only with the superficial, the things the people who like to talk to Americans tell us because they think it is what we want to hear.

U.S. Foreign Service employees appear to play two important roles in an American center and in almost all other ICA operations: We give an authentic American flavor to the proceedings, whatever they may be; and we act as a buffer between the local staff and the U.S. bureaucracy.

As proof that centers can operate without us, consider the summer of 1981 in the large ICA Japan operation. Four of the six center directors were due for home leave at the same time, along with several Tokyo-based officers. With a travel freeze in effect for in-country travel, those four centers were untended by a U.S. officer for two months or more. And things went on quite

nicely, without missing a beat. Not that the American officers weren't missed. Their local staffs were glad to see them back, in large part in order to fulfill those two essential responsibilities of an American officer.

I call that first responsibility, giving an American flavor to events, the "popcorn factor." Last spring one of the program specialists at the Sapporo American Center organized a series of Friday night film showings for our arts audience that also attracted many other key audience members. He selected and ordered films concerned with American arts from those available in Washington or Tokyo, wrote a brochure and had it printed, and located a different exhibit to suit each week's offerings so that the meeting room looked different every time. He chose videotapes, books, slides, and music tapes to complement each program so that those who stayed for a drink after the films were exposed to more ICA materials. He saw that the series was publicized in the local press, thereby reminding the populace that the American center was a lively and interesting place. Each week he wrote an introductory speech for me to give, in the most appropriate and polite *aisatsu*-style Japanese, but each time with a glimmer of humor to remind folks that we Americans are not always deadly serious.

With staff work like that, what is there left for an American officer to do? I made a huge quantity of popcorn for the final Friday night and explained that since Aoki-san had already looked after sight and sound for the first three weeks, I wanted to make sure that for one night we also involved the taste, smell, and nice greasy feel of popcorn—an essential part of the American movie tradition.

While the popcorn factor is usually a lot of fun, the role of buffer is much less enjoyable. Usually it amounts simply to organizing the endless reports required by Tokyo and Washington, seeing that they are written in reasonably coherent English, protesting when some new directive places an unreasonable bur-

den on the staff, and helping interpret the spirit as well as the letter of new regulations. Sometimes it comes down to helping the staff survive a Washington decision that devastates individual lives and could destroy a center.

The 1981 spring budget cut was such a blow. In ICA Japan, some 23 foreign national employees lost their jobs. In Sapporo, there were two. They, like almost all the others, were eligible for forced retirement. Very few people were turned out empty-handed. But the blow was still stunning, and the reverberations will echo for a long time among the survivors. They wonder how many it will be next year and whether they should be rethinking their commitment to this career. If they are particularly young and promising, they realize that now might be the best time to look for another job. If they are older and have gone through this sort of exercise before, they look at their colleagues whose jobs were cut this year and note that dedicated service does not count for much. They begin to pull back, their eagerness to do everything they can for the center or the embassy fades. They don't cheat, but they stop volunteering and are especially reluctant to help fill the gaps left by the people who were RIFed.

Alien Traditions

The situation is worsened by the Japanese tradition of lifetime employment. People are expected to spend their entire working lives employed by one company. The Japanese are usually amazed to hear me recount the number of careers I've dabbled in since leaving college. They shake their heads, bemused by the flightiness of Americans.

Choosing the foreign national employees to be RIFed is not necessarily a decision based on functional considerations alone. Maybe a center could get along best with two fewer staff members if jobs A and B were eliminated. But the person holding job A has several small children still to be educated and has never done anything but work for us and is not quite old enough to get

Association News

AFSA Stops AID From Politicizing Deputy Directors

As explained in less detail in its Redtop bulletin of December 16, AFSA was able to prevent the passing of an amendment to the Foreign Assistance Act proposed by AID management that would have allowed unlimited numbers of non-career deputy mission directors. The Association thwarted AID's attempt to politicize deputy directors by intense activity on the Hill.

In the interest of getting the word to the membership quickly, the Redtop did not describe the devious manner in which the amendment was posed:

As proposed, the amendment would have added the following sen-

tence to the end of Section 631(b) of the Foreign Assistance Act: "Such deputy shall be entitled to receive such compensation and allowances as are authorized by the Foreign Service Act of 1980, not to exceed those authorized for a member of the Senior Foreign Service, as the President shall determine to be appropriate." On the face of it, this language seems merely to provide for reasonable remuneration of deputy directors.

The truth, however, is that the amendment would have authorized in the FAA payment of deputy directors, an authorization previously—and still—provided for only in the Foreign Service Act of 1980. With such authority only in the FSA, deputy directors are subject to the five-percent limitation on non-career members of the Senior Foreign Service. Thus, AID's proposed amendment would have circum-

vented the restrictions on hiring non-career deputy directors.

AID introduced the amendment in the heat and hurry of the final days of congressional consideration of foreign aid legislation for fiscal year 1982. In such circumstances, this innocuous looking amendment could easily have been passed by members of Congress who thought it dealt only with compensation. AID management, however, in describing the administration's position on the amendment was obviously not thinking about compensation; they wanted to make it clear that Section 631(b) of the FAA would provide an appointment authority separate from the Foreign Service Act.

Fortunately, AFSA learned of the amendment the day before it was to be voted on. Association board members and staff swung into action immediately. A letter to numerous congressmen and senators was drafted and signed by the president of AFSA. Copies of the letter were hand-carried to members and staffers, and as many staffers as could be located in the morning of that last hectic day of action on the bill were briefed by AFSA on the true nature of the amendment.

The happy ending to this effort was that AFSA was able to contact a number of members and staffers sympathetic to the interests of a career Foreign Service and make clear what the amendment would really do. The amendment was voted down that same afternoon.

USIA's Marks Fills Foreign Service Club For NWIO Lecture

The luncheon lecture series on "Public Diplomacy in the '80s" was launched December 9 with a talk by former USIA Director Leonard Marks on "The New World Information Order" (see story page 18H). The Foreign Service Club's main dining room was sold out, with more than 100 persons attending. Unfortunately, many others had to be turned away because of lack of space.

The talk was the first in a series by prominent individuals on topics affecting ICA's professional areas of responsibility. The audience included a mixture of active-duty and retired ICA and USIA officers, and other foreign affairs professionals, including several former ambassadors.

At the end of Marks's lecture, AFSA President Charles S. Whitehouse (right) expressed the Association's thanks by giving Marks a certificate of appreciation, citing his many years' service to the agency, the U.S. Advisory Commission on International Education and Cultural Affairs, the World Affairs



Council, and the World Press Freedom Committee. "In these assignments and others," the certificate read, "you have displayed a recognition of the importance of international communication and cultural exchange with other nations. Through your concern, imagination, and hard work during the past three decades you have made a significant contribution to better mutual understanding and trust. Your efforts exemplify the best kind of private citizen involvement in this critical area of American diplomacy."

Notice from AFSA Elections Committee

An Election Call, dated February 1, 1982, for the nomination and election of new members of the AFSA Governing Board is being sent to AFSA members in a separate mailing as a AFSA News "Redtop." Note that nominations must be received in Washington by March 1. If your AFSA News does not arrive in timely fashion, consult your AFSA Representative for details or write or call the AFSA Elections Committee, 2101 E Street NW, Washington, DC 20037. Tel. (202) 338-4045.

"Questions and Answers" on Travel for Children of Separated Parents

The department's Q&A series on this new travel allowance resulted in outraged phone calls, cables, and letters from the field. Although the allowance is the result of a negotiated agreement implementing the Foreign Service Act and signed by the five foreign affairs agencies and the two unions, management apparently felt it unnecessary to consult with AFSA and AFGE prior to sending out a unilateral interpretation of the agreement that is contrary to the intent of the Foreign Service Act and contrary to both the letter and the spirit of the agreement which we signed in good faith.

According to the agreement, a child is allowed one trip per year providing eligibility criteria are met. Management, with the "second thoughts" it seems of late to be having more and more frequently, flatly announced that eligibility for a second trip does not begin until 12 months after date of termination of the first trip. Posts began to request clarification, and in response to union pressure management sent out a cable—clearing it with the unions but somehow managing to add a sentence or two which we had *not* cleared and which muddied the waters even further.

As far as AFSA is concerned, the negotiated regulations are clear—one trip per year to be taken at any time within a 12-month period is allowed, with the exception that such travel would normally not be authorized within 30 days of transfer or home leave.

Management has now further changed its "interpretation" (third thoughts?) by saying that a second

trip may begin 12 months after the *beginning* date of the first trip.

After a scenario like this, it's difficult to believe management is bargaining in good faith. It's also difficult to figure out what they hope to gain by removing all flexibility from a benefit that was intended by Congress to lessen the difficulties experienced by families in the Foreign Service. We've asked this question, and the only answer so far is that the Education Allowance is handled this way. So what? Stay tuned for the next chapter in what looks like a rather nasty, meaningless battle.

New AFSA Award To Honor Family Members

Thanks to the generosity of Pamela Harriman, wife of Averell Harriman, AFSA will be adding a new award to its three current ones honoring Foreign Service employees, but this one will cite a family member of a Foreign Service employee "whose relations with the American and foreign communities at a Foreign Service post have done the most to advance American interests in the tradition of the late Avis Bohlen." The widow of Ambassador Charles E. Bohlen, Avis Bohlen died of cancer last April in Washington, D.C. Her passing was observed by the *Washington Post*: "She met the difficult challenges of being a Foreign Service wife with unusual grace and sympathy." Added Joseph Alsop: "This is a loss to the country, for she was an invaluable though unpaid public servant." Her unusual service was described by President Kennedy in 1961, when her husband was ambassador to France: "She led each embassy she served in, just as her husband led his political staff. She made her own the concerns of all on the staff . . ."

AFSA President Charles S. Whitehouse wrote Mrs. Harriman to thank her for the award. He said AFSA and others were "delighted" with the award and "most appreciative" of her generosity. He concluded: "The fact that Foreign Service wives have never been given the recognition they deserve makes this award for family members particularly timely."

Communicator Award Goes to Philip Tinney



Congratulations to Philip Tinney, communications programs officer at the U.S. embassy in Tel Aviv, who was named the winner of the 1981 Thomas Morrison Communicator Award for "sustained exemplary performance" by the Department of State. The \$5000 award, established through the initiative of AFSA, is named for the first communicator in the Foreign Service and is granted to recognize extraordinary individual achievement in the communications field. Tinney was cited by the department for "his persistent efforts to improve the efficiency and effectiveness of new technological advances in communications and his demonstrated talents for unusual initiative and leadership in contributing to the improved management of communications programs of Tel Aviv's communications resources."

Questions Raised About Unused Home Leave

Colleagues periodically request that we negotiate with management on compensation for unused home leave. We wish it were that simple! The home-leave provisions are not a matter of State Department policy but of law. The law states when and where home leave may be granted, and that it is a leave of absence granted without regard to other leave to which employees are entitled. In addition, the law specifically states that home leave may not be used as the basis of terminal leave or lump sum payment.

Unfortunately, our efforts for equity are, therefore, restricted to urging management to schedule departures and arrivals efficiently, to allow employees to make full use of their accumulated home leave.

Last Chance for 1982 AFSA/AAFSW Merit Award Applications

Students who will be graduating high school in 1982 have until February 15 to apply for the 22 AFSA/AAFSW Merit Awards, which this year will honor Betty and Norris S. Haselton. Interested students who are dependents of Foreign Service personnel are urged to contact scholarship program administrator Dawn Cuthell immediately at (202) 338-4045, or write her at 2101 E St. NW, Washington, D.C. 20037. *Apply immediately.* (See details on page 35.)

INCOME TAX POINTERS 1981-82

BY R.N. DUSSELL

Coping with the 1981 Tax Act

"Tax avoidance is a virtue while tax evasion is a crime." It is appropriate to open AFSA's annual tax article with this old truism. Year after year, Foreign Service personnel encounter trouble at filing time—trouble most often spelled "home-leave deductions" and "domicile status." With the enactment of the Economic Recovery Tax Act of 1981, figuring your personal income tax—always a confusing affair—will become even more difficult. Experts are in agreement that this law is the most complex since the taxing of personal income began in 1913. For one thing, the act's 109 provisions are phased in over 17 effective dates during the next four years, with some provisions lasting for short periods and then triggering further provisions when they expire. Moreover, the new tax regulations have not been fully worked out, and it will be months and possibly years before the full impact of all the provisions can be evaluated. To make matters worse, it is almost certain that we will have still another tax bill early this year to correct and perhaps retract parts of the inevitable technical errors and other human flaws present in the hastily drafted and enacted set of tax changes.

Despite all the changes in the law, Form 1040 still looks pretty much the same. There's a new line reflecting the new exclusion for interest income, and another new line for reporting certain pension information. The 1040 TC schedule has been eliminated and the data incorporated into the basic 1040. Aside from that, the big changes are reflected in the small print of the tax-rate schedules.

R.N. "Bob" Dussell, an enrolled tax agent, served as AID employee chief tax adviser from the agency's creation in 1961 until retirement in 1972 after 32 years of federal service, 15 of which were with the Federal Tax Service as a special agent. Since retirement he has been associated with several Northern Virginia tax firms as an enrolled tax agent and as a tax counsel when requested. He now operates Taxmasters, at 3601 N. Fairfax Dr., Arlington, Va. 22201.

Here is a brief summary and guide to some of the tax-law provisions that have been partially evaluated. As in the past, we also emphasize those provisions that particularly affect members of the Foreign Service. Be mindful of the fact that the five-percent tax rate reduction of the act took effect last October 1, so only one-fourth of the 1981 tax year was affected, and several other provisions have different dates of implementation in 1981 as well.

Change in the Tax Rates

The celebrated Kemp-Roth tax-cut package took effect October 1, starting with five-percent and with plans for additional 10-percent cuts in July 1982 and 1983. Because only one-fourth of the 1981 tax year was affected, the tax credit on returns filed this April will amount to only 1.25 percent, which will be figured into the tax tables for those with taxable income below \$50,000. Those earning more will have to figure their tax at the 1980 rate, remembering to compute and credit the 1.25 percent before entering the total tax on the return.

What does this mean in terms of real dollars for this tax year? Well, in 1980 a family with \$30,000 in taxable income—that's adjusted gross income minus deductions and personal exemptions—would have had a tax liability of \$6,238. A family with the same income in 1981 will be looking at a tax of \$6,160, a saving of \$78. Taxpayers with higher incomes will realize higher dollar savings, since the reductions result from an across-the-board percentage cut in the tax rate.

The reduction in the maximum tax rate will have a dramatic effect on tax shelters and tax-free securities. The act reduced the maximum tax rate from 70 percent to 50 percent, as of 1982. Be ever alert and watchful of the so-called "free tax shelters." It is prudent to remember to be far more concerned with the return of your money than the return on your money. In 1982 the top tax rate drops to 50 percent, so any deductions are only worth a maximum of 50 cents on a dollar. The same applies to tax-free income.

Individual Retirement Accounts

What's all this fuss about IRAs? Even if you are serving overseas and don't keep up with all the state-side news, it would be hard to miss the IRA's sudden leap into the spotlight. As of January 1, 1982, for the first time all U.S. workers with more than \$2000 earned income in 1982 are eligible to set up an IRA and deduct the payment as a business expense—regardless of whether your employer covers you with a pension plan. All federal employees may contribute up to \$2000 annually. For working couples, each may pay in \$2000. If one spouse has no income, the employee can increase his contribution up to a maximum of \$2250 annually, which may be divided in separate accounts, as the couple may see fit. If you are in the 33-percent tax bracket and put away \$2000 a year, immediate tax savings come to \$667. The interest earned on such an account is not taxed immediately. Taxes on the investment and interest do apply eventually, but only as the money is withdrawn. The earliest it can be withdrawn without a hefty penalty is age 59½—or if the employee becomes disabled. Withdrawal of funds must begin at age 70½. At this time, retirement will presumably have dropped the taxpayer to a lower bracket, therefore reducing the total tax liability.

IRAs are being offered in a variety of forms. The plans differ in degrees of risk, administrative fees, flexibility, rate of return, and minimum investment amount. For more information, request IRS publication 590.

Interest and Dividends

Happy news for those who saved during the past year. The interest and dividend exclusion you may claim is \$200 (\$400 if filing jointly). This provision, however, applies only to 1981. As of January 1, 1982, the exclusion reverts to the previous rate of \$100 and \$200, respectively, for dividend income. As of 1982, there are no exclusions for interest income except through All-Savers Certificates.

All-Savers Certificates

This handy investment, legally known as the All-Savers Certificate of Deposit, began being issued on October 1 and will continue to be issued until the end of 1982. Each certificate is for 12 months and investment amounts begin at \$500. They provide for a \$1000 (\$2000 for joint) lifetime exclusion from gross income of interest earned on them. They are only issued by thrift institutions, which each month will fix the interest at 70-percent of the average investment yield at the most recent auction of 52-week treasury bills. As with most high-interest vehicles, there is a substantial penalty for early withdrawal. The maximum amount that can be invested and still yield tax-free interest will vary with the interest rate. The rate is highly volatile, having started at 12.61 percent in early October but fallen to 8.33 percent before Christmas.

Capital Gains On the Sale of Personal Residences

As of July 20, 1981, you have two years in which to buy or build a replacement home before or after the sale of your principal residence. Any gain will be

recognized and taxed only if your selling price exceeds the cost of building or buying a replacement home. The new act therefore has added six months on both sides to the former 18-month provision for purchase of a new home, while the time limit for building stayed the same. Persons on assignment overseas continue to have the four-year time limit in which to be eligible for a deferral of gain as long as the replacement home is equal or exceeds the sale price of the old residence. In cases where the old rollover period had not expired by July 19, 1981, the new time limit may be applied.

The new law also raises the once-in-a-lifetime exclusion of gain from the sale of their personal residences by taxpayers over 55 years of age to \$62,500 (\$125,000 for those filing a joint return), up from \$50,000 (\$100,000). This higher exclusion applies to residences sold after July 20, 1981.

The maximum tax rate on net capital gains drops to 20 percent (computed as 50 percent maximum of 40-percent taxable portion of gain) for sales occurring after June 9, 1981. This exception takes the form of a 1981 alternative capital gains tax to be incorporated into Schedule 1040D and is only triggered if you are in the above-50-percent bracket in 1981.

Depreciation of Fixed Assets Used in Business-Oriented Operations

A complete revamping was undertaken in the new act—and it is much too detailed to cover here. However, one should be alert to its tax-saving features. The new Accelerated Cost Recovery System—ACRS—will enable recovery of cost in a much shorter period than was formerly allowed. This part of the act covers business property purchased and placed in service any time after December 31, 1980. In concise effect, it gives the investor in depreciable property the option of a fast write-off, or the former slow write-off, through depreciation recovery allowances, as the investor's tax situation may warrant. The IRS will be unable to change the method you select by audit.

Investment Credit

The investment credit permitted on personal fixed assets used in business and acquired after December 31, 1980, has been changed to 10 percent on five-year (or more) and six percent on three-year assets. Disposal of such assets involves a two-percent per-year recapture factor. If you are involved in business fixed assets, look into the specific laws on these issues.

Child-Care Credit

This credit has been increased for 1982 and thereafter, but with several limitations as to gross income and number of children. Check detailed provisions if you have child-care expenses for 1982 and after.

The Marriage Penalty

Tax relief for couples filing jointly is on the way—but, unfortunately, not for 1981. For 1982, five percent of net earned income of the lower-earned-income spouse may be used as a deduction on a joint return. For 1983 and after, 10 percent may be deducted. (Net

earned income is the income after expenses for such things as IRAs, trade and business costs, etc.) A maximum applies to the deduction, however. For 1982 the maximum is \$1500 and in 1983 and after the maximum goes up to \$3000. You will not have to itemize expenses to obtain this deduction.

Penalties & Interest

The cost of making a mistake goes up radically on February 1, 1982—from 12 percent to 20 percent, so that a taxpayer can no longer finance personal activities with cheap government interest. The 20-percent figure will apply to all interest charges on taxes not paid in a timely manner, as well as on the failure to properly file and pay estimated taxes in an amount equal to at least last year's total tax liability or 80 percent of the current year's tax liability. This issue is going to be of major trouble to a lot of taxpayers, so by all means take steps so one of the troubled taxpayers is not you.

\$75,000 Exclusion for Income Earned Abroad

Beware—*these provisions do not apply to federal employees.* But the provisions do apply to amounts paid by the federal government to certain overseas independent contractors and teachers at special schools for U.S. dependents. (See IR Code Sec. 911(B)(1)(B)(11) of the 1981 tax act.) Remember, these provisions, when applicable, cover only earned income. They permit exclusion of foreign earned income and deductions for certain housing costs. The details are complicated, so check into the specifics if you feel that this provision applies to you. The spouse of a Foreign Service employee may come under these provisions for income earned abroad from an employer other than the federal government, as long as the spouse meets the requirements of the law.

Estate & Gift Taxes

Major changes have been made here, and mostly to the benefit of the taxpayer. This law becomes effective in 1982 and is so complex and full of legal complications that you should check with a tax consultant as to full details, since many taxpayers will have to amend their wills to properly protect their estates under the new law.

Home Leave

This old bug-a-boo was finally resolved on July 2, 1981, with a letter of determination from John H. Menzel, director of the IRS Tax Litigation Division, to AFSA's general counsel. He stated that all *substantiated* home-leave expenses of Foreign Service employees are deductible business-travel expenses under Internal Revenue Code 162(a)(2). Copies of Menzel's letter may be requested from the AFSA office. It may come in handy, since knowledge of the ruling has as yet not filtered down to a surprisingly large number of auditors. The reason may be that IRS does not like the determination, and you may rest assured that it will require absolute substantiation before allowing the deduction. Do *not* use a per-diem rate.

The deduction is taken on Form 2106, which results

in an adjustment to gross income. In this manner, the deduction is taken whether one itemizes or not. Only the employee may deduct. The IRS maintains that the expenses of one's accompanying family are personal in nature and therefore not deductible. Since there is often a fine line between the two, it is paramount to substantiate through accurate and complete accounting records.

It may be a good idea to record your travel in a diary. Record places you stayed in on the dates you did, as well as mileage distances if you rented a car or used your own vehicle. Keep all receipts for lodging and food, as well as for any travel expenses incurred within the United States, which may include air, rail, bus, taxi, car rental, and/or mileage at current government rates. *Reasonable* unsubstantiated daily food expenses are acceptable to the IRS only as long as lodging receipts can be produced for those periods.

Attach a statement to Form 2106, explaining that you are a federal employee on overseas assignment, temporarily in the United States on mandatory home leave. Note home-leave dates and proceed to show IRS how you arrived at the deduction by breaking the total figure down into three categories: travel, lodging, and food. Do *not* submit receipts or your travel log unless and until requested by the IRS. Frequently, the IRS will ask for a copy of your home-leave orders. You may, therefore, wish to keep a copy with your records. Hang on to those records, although this might be cumbersome for the ever-mobile Foreign Service employee. The IRS has three years from the filing date (longer if fraud is involved) to audit your return. Increasingly, they only get around to scrutinizing returns the third and last year.

Domicile vs. Residence

Domicile requirements have not changed but remain a major tax issue for Foreign Service employees who are unfamiliar with the law and do not consider themselves liable to pay state income taxes while residing abroad. Few were penalized for this assumption until several years ago when states began an intensive survey of residents and former residents who had not been paying state income taxes. Once the IRS catches on, the rude awakening can be costly in terms of large amounts for back taxes, along with stiff fines for penalties and interest.

Do you have a domicile? Yes. Court decisions have made it clear that every citizen has a right to vote and must consequently have a domicile in the United States from which he or she can do so. There are exceptions, such as retirees living more or less permanently abroad, who retain U.S. citizenship without having a U.S. domicile. Federal government employees abroad are, however, absent for a fixed and limited time period with an eventual return to the United States. Therefore, they must have a U.S. domicile to which they can return. You may, therefore, be paying for services not received while living abroad. Remember, though, that tax liability is a result of *law*, not bureaucratic decisions implementing the law. With increasing frequency states are challenging the domiciliary status claimed by individuals. The mere desire to change domicile for tax purposes will not satisfy the challenging state. In fact, rest assured that it will check with the state you claim as your domicile to see if you are indeed registered there.

Here are some tips:

- Mere ownership of property does not establish domiciliary status;
- You should always vote in your state of domicile. If you have voted elsewhere and your tax status is being questioned, don't hesitate to state that you were unaware that your domicile status might be affected and that you have no intention of changing your domicile;
- Maintain a current driver's license and a bank account in your state of domicile;
- Be sure that the Residence and Dependency Report—JF-20—that you filed with your agency indicates your correct domicile and home-leave address.

Domicile is your permanent legal home in the United States. Typically, it may be the place from which you entered the Foreign Service, where you vote, where parents reside, where you own property, maintain a bank account, hold a driver's license, and where you intend to return after leaving government service. Alternatively, you may become a *resident* in another state while maintaining your domicile. When you move to Virginia or Maryland while on a Washington assignment, you will become a taxpaying resident if you live in these states for at least six months. If you are domiciled in another state that has income taxes, you are subject to double taxation, with a share of your maximum tax liability going to each state.

Foreign Service personnel residing in the District must pay income taxes, unless they are commissioned by the president and confirmed by the Senate and *maintain a domicile elsewhere*. As we have reported previously, the District is trying to repeal this exemption to increase their sorely needed revenues. As of this writing, the proposal is still in committee, and we expect it to be some months before it goes to Congress for debate.

When you leave your temporary state of residence be sure to inform the state's tax department to avoid later questioning. Most states provide a specific form for this purpose. There are, of course, some states which do not have any income taxes and others which only tax profits from sale of property or bonds. In addition, there are some states that exempt domiciliaries as long as they live outside the state. For more specific advice on domicile vs. residence, and on other tax provisions of interest to Foreign Service personnel, turn to previous *Journal* tax articles published each February or request a copy of the AFSA tax packet.

Avoiding and Surviving the Audit

An ounce of prevention in preparing a return will yield pounds—or at least dollars one could be liable for in interest, delinquent taxes, and penalties. It goes without saying that one should be careful in preparing the return, but it should be emphasized that the best strategy is to prepare the return as if it will be audited. Always remember that the IRS bears heavily on those whose inexactitude is of their own making. All required documentation should be organized and available. Estimates just will not stand up in any audit. This is particularly important in many areas where Foreign Service employees are likely to take deductions, as discussed before.

It also goes without saying that getting an occasional audit is as certain as, well, death and taxes.

Remember that auditing returns is an important compliance factor in our revenue system and serves a useful social function. Nonetheless, most of us who receive an audit ask, Why me? The answer is manifold.

First, your name may have been drawn by the Martinsburg Monster, the not-so-affectionate term for the national tax computer in West Virginia. Second, your expense deductions may be out of proportion to your income when compared to the national average. Third, you may have been chosen at random for the sample audit program the IRS has been conducting to gain cross-section statistics on compliance. Last, and worst, it may be the result of an informed tip that the IRS is checking for possible tax fraud.

Audits are normally handled in some combination of three ways: correspondence, office visit, or field investigation. More than likely a taxpayer overseas will face only a correspondence audit, at least at first. If a reply is required do it promptly and submit copies—never originals—of whatever documents are requested.

The taxpayer must decide whether to represent him or herself or use the services of a person authorized to represent taxpayers before the Treasury Department: an enrolled tax agent, a certified public accountant, or a tax attorney. It all depends on the issues involved, of course. In most cases, correspondence audits and simpler visits or investigations can be handled by the taxpayer. But if the issues are unclear or technical in nature, the taxpayer will almost always fare better by getting good representation by experienced professionals. Remember the adage: He who acts as his own lawyer has a fool for a client.

If your return was prepared by a tax expert, consult him or her when audited, since the expert's workpapers may well have an answer to the query and, in any case, the preparer should have a working knowledge of the problem and may be able to suggest a course of action. Always furnish the required proof to the IRS, but never provide more than requested, since it is not good policy to volunteer added or unrelated information during an examination. Remember to let sleeping dogs lie. If the auditor decides an added tax assessment is required, a fancy way of saying "pay up," do not be stampeded into accepting it. Take a few days to think it over and perhaps to discuss it with your tax consultant. Then advise the auditor whether you accept or disagree with the determination.

If you disagree, you have three immediate courses open to you: One, an informal conference with the auditor's superior; two, an appellate hearing; and three, the tax court. As a last, desperate attempt, you can pay the tax and then file a claim for a refund in the appropriate U.S. district court.

Problems calling for an audit tend to fall into three categories too: One, unreported income; two, overstated expenses; or three, items with a contrary point of view on taxability or deductibility.

If unreported income is the problem, and if it is of a substantial amount, the IRS may be considering a fraud in investigation. Such fraud investigations are conducted by a special agent and a field revenue agent. If such agents call on you, tax counsel is strongly recommended at once, as would be counsel in any civil or criminal proceeding. One factor in the taxpayer's favor, however, is that, unlike normal audits, in a fraud case the burden of proof is on the IRS. □

Agreement Reached On New U.S. R&R Regs

Agreement was reached on December 16 between AFSA and management on regulations covering rest and recuperation—R&R—trips to the United States from hardship and danger-pay posts during fiscal year 1982. Although the regulations designate the United States as an optional R&R point for all posts that have “authorized rest and recuperation or danger pay,” they specify further that budget constraints will limit government-funded U.S. trips to employees and their dependents at 20-percent and 25-percent differential posts.

Employees at all R&R posts will continue to be eligible to travel to the post's designated R&R point.

Under the regulations, employees and their dependents are authorized one round trip to the United States

or other designated point during any continuous two-year tour unbroken by home leave, and two round trips during any continuous three-year tour unbroken by home leave.

For those eligible for R&R to the United States, the nearest point of entry in the contiguous 48 states is the designated R&R point. Thus, the expense of travel beyond that point—as is the case with all R&R travel—must be met by the employee.

If a post's designation is changed from an R&R post to a non-R&R post, or if a danger-pay post becomes a non-danger-pay post, employees who began tours of duty prior to the change and who meet other basic eligibility requirements (such as length of time at post, etc.) will still be eligible for R&R travel to the United States for the first R&R trip to which they were entitled when they began their tour.

AFSA's position throughout the negotiations was that the United States R&R option should apply to

all R&R-designated posts, as was authorized by the Foreign Service Act of 1980, and the new regulations were written to reflect this. Due to current severe funding constraints, however, it was agreed that for fiscal year 1982, only 20-percent and 25-percent post employees could take advantage of the option.

The agreement will be renegotiated for fiscal year 1983, and AFSA expects that management will seek full funding, giving all personnel at hardship posts the option of spending R&R in the United States.

AFSA President Whitehouse Meets with ICA Deputy Director Robinson

On December 2, AFSA President Charles S. Whitehouse and the ICA representative on the Association's Governing Board, Steve Chaplin, met with the ICA Deputy Director Gilbert Robinson. The visit was intended to introduce Whitehouse to Robinson and to inform ICA management of AFSA's activities involving foreign affairs professionals. During the meeting Whitehouse informed Robinson of AFSA's efforts on the lifting of the federal pay cap, the ICA Standing Committee program involving lecture luncheons at the Foreign Service Club (see related articles), and the general involvement of ICA officers in AFSA's diverse activities.

The Journal Switches Printers

Effective with this issue, the *Journal* is being printed by Dartmouth Printing Company of Hanover, New Hampshire, a full-service publications firm with clients from Maine to Texas. Dartmouth was selected after a six-month bidding period and evaluation by the editor, a consultant, the AFSA executive director, the *Journal* Editorial Board, and the AFSA Governing Board.

It is the belief of all parties that the new printer will increase the magazine's production efficiency while helping to hold the line on costs. To convert at the same time to the magazine industry's standard trim size, we have shaved $\frac{1}{16}$ of an inch off the top and bottom of the magazine and $\frac{3}{16}$ of an inch off the sides, a minor change that will facilitate national-advertising sales and help keep expenses down.

Federal Health Insurance Changes

On December 4, 1981, at virtually the eleventh hour, the Office of Personnel Management (OPM) secured a stay of a court order directing that an open season for the Federal Employees Health Benefits Program (FEHBP) be scheduled from December 7 through December 31, 1981. Result: the open season is indefinitely postponed until the Court of Appeals issues its final ruling on the matter. Until an open season is initiated, probably sometime later this year, FEHBP participants remain locked into their present plans.

Meanwhile, effective January 1, 1982, overall FEHBP benefits were reduced while premium payments went up, although the specific benefit reductions and the premium increase percentages vary substantially between one plan and another. At this writing urgent preparations are under way to notify all employees and retirees covered under the FEHBP of the changes in benefits and premiums applicable to their individual plans.

Several factors combined to generate the atmosphere of confusion, uncertainty, and acrimony which has surrounded the FEHBP in recent weeks. The fundamental element has been the rapidly accelerating cost of medical services involving the increasing use of expensive and

sophisticated testing and treatment techniques. This trend collided head on with the Reagan administration's efforts to reduce non-defense federal expenditures which, in this instance, translated into a decision to put a cap on the government's contribution to FEHBP premium payments. This prompted directives from OPM to the insurance carriers mandating certain cutbacks in benefits which in turn triggered court challenges to these directives, plus a threat from at least one of the major carriers to pull out of the FEHBP altogether if an open season were instituted before the disputes were resolved and the situation stabilized. Matters could only be described as chaotic.

On balance, therefore, it probably is just as well that an open season has been postponed until the confusion clears and the pending legal issues are decided. Meanwhile, even though FEHBP participants are locked into their present plans, their health insurance will continue without interruption. Then, when an open season is finally scheduled, employees and retirees should have both the information and the time required to evaluate the coverage and the cost of the various plans and select the one best suited to their personal requirements.

Leonard Marks Criticizes New World Information Order in AFSA 'Public Diplomacy' Lecture at Foreign Service Club

Restricting the free flow of information "is hardly compatible with democracy or with the good relationships that bring about peace and understanding," former USIA Director Leonard Marks told an overflow audience in the Foreign Service Club on December 9. More than 100 persons had gathered to hear the former Johnson administration official address the issues involved in the New World Information Order concept in the first of a series of luncheon lectures at the club on the theme of "Public Diplomacy in the '80s."

"We as Americans pride ourselves on having free access to information," Marks said during his conclusion. "Reporters go all over the world to give us an opportunity to determine what's going on. If these censorship laws take effect, if these trends continue, if access to information is limited, our new motto will be 'all the news that other countries want us to print.'"

Marks said "censorship" is embodied in the NWIO, an outgrowth of the New International Economic Order. The argument for an NIEO as advanced by many Third World governments, according to Marks, goes like this: "One representative of a developing country told me that 'we are all in the same boat, you in first class and we in steerage. My end of the boat is sinking, and you think you are going to survive? There had better be a better distribution of the world's resources.' Later, some of the leaders of these countries determined that, in order to get a better piece of the economic pie, the information resources too ought to be better distributed. Instead of the world hearing about the developing countries from AP, from UPI, from Reuters, etc., there ought to be a Third World viewpoint."

Marks looked back to the early post-war era, when "nations were flush with the idea that we could live together in peace and UNESCO was born. In the 1948 Universal Declaration of Human Rights, article 19 states that everyone shall have the right to receive, seek, and impart information through the media regardless of frontiers. The same concept is in the UNESCO charter. But then the iron curtain fell" and provisions based on article 19 were eliminated from the UNESCO con-



stitution. The Soviet Union began jamming the Voice of America, the British Broadcasting Company, and others. In 1972 the Soviets, concerned with direct transmission by satellites, requested that the U.N. Committee on the Peaceful Uses of Outer Space ban transmissions into a country that has not agreed to accept them. "If that principle were adopted," said Marks, "there would be no international broadcasting." In 1976 the Soviets came to the UNESCO meeting in Nairobi and submitted a resolution on the mass media. "One paragraph caused the fight," said Marks. "States are responsible for the activities in the international sphere for all mass media under their jurisdictions." What the Soviets meant is that all journalists should be licensed, that governments should issue a code for journalists, that there could be censorship, and that if anybody felt offended, there was a mandatory right of reform."

Because of other concerns, no vote was taken at the meeting, and a study commission was formed two years later at the Paris meeting. In 1980 in Belgrade, the UNESCO general conference considered the commission report and concluded no positive action could be taken, following the report's reasoning that the Western and Eastern systems were entirely different. "UNESCO became intensely aware that Western media would not stand for any UNESCO action that would place controls," said Marks, "and it is my feeling that they realized any effort to put these controls on would result in major Western withdrawals from UNESCO." The problem will not go away, Marks observed. For instance, the International Program

for the Development of Communication—which met for the first time last month and whose mission is to help developing countries improve their mass media, mostly broadcast—could become involved in content as well. "The IPDC should stay out of content and concentrate on technical facility," said Marks.

Marks noted that the UNESCO debate has just about run its course and in the future less emphasis there will be placed on states' responsibilities to regulate their journalists. But the debate will move to other forums, he said. Already, several countries have taken action to put the UNESCO initiatives into being. In the western hemisphere, "Brazil, Colombia, Costa Rica, Honduras, Panama, Peru, and Venezuela have licensing requirements for journalists. Costa Rica requires a special school. There is a measure of control of the media in the Dominican Republic, Argentina, Chile, and Trinidad. In Puerto Rico, a bill has been introduced into the senate to license journalists. Several months ago Mexico passed a law calling for sweeping censorship. Granada has abolished all newspapers." That is just the problem just in our hemisphere, he said. "Less than one-fourth of the world enjoys a free press."

"The suggestion has been made to get out of UNESCO. I don't agree. We won't then be in a position to answer arguments, to be in on the debate—and the debate won't end. I favor a strong response reminding UNESCO that the U.N. charter provides for guarantees to see that the free flow of information comes about. I want to challenge UNESCO's leaders to attack these countries that restrict information."

a decent pension. And person B is the only one on the staff with close contacts in a couple of key areas. If we're not to be left out entirely the next time there is a swerve in domestic politics, we need to keep his contacts — and him.

To the Japanese, as in organized labor in the United States, tradition quickly identifies the two who should be let go (although a Japanese employer would cut many other corners before even beginning to consider laying off). C and D were hired most recently — they should be the first to go. But this is untenable from an American management point of view. C and D are also the youngest and speak excellent English. They are the ones who provide a young perspective to our programs and audiences, and who give the staff hope for continuity a few years from now when those who have worked for the center since the beginning reach retirement age. And so it went, on and on, until the finger of misfortune finally pointed at two who perhaps had the least to lose financially, the smallest families to support, whose departure might leave a functioning staff behind.

But the parting was not easy. I am not at all certain that we didn't rupture a vital artery of trust, confidence, and creativity. When I asked a staff member for his reaction to an exhibit we have been offered for September 1982, he responded, "Oh, do you think there will still be a Sapporo American Center in September of 1982?" It is obvious that things will never be quite the same.

Why do foreign nationals go to work for the U.S. government anyway? Obviously, the answers will vary from country to country, and from person to person. In some countries, it is a way to earn status as well as a decent salary. It can be a way for the culturally disadvantaged—women, perhaps, or minority ethnics—to get a decent job. Someone with a talent for the English language may find it a good way to use that talent. And some foreign national employees are very idealistic.

"I lived in the States for two years, when I was in graduate

school," said one of ICA Bangkok's key employees. "Everyone in America was so nice to me. I decided when I went home to Thailand, I'd try to find some way I could help Americans." And she has. Probably half the things recorded in my OERs as major accomplishments during my two years in Bangkok (and leading to two promotions) were really her accomplishments. She could have done almost the same things without me, but I could not have taken a step without her.

But working for the U.S. government is not just an interesting, good-paying job with some status. There are times and places when it is hazardous. While a proud and very competent Japanese woman tries to adjust to the shock of finding herself unemployed, and possibly unemployable, after 29 years of service to a government she particularly admired, in Southeast Asia there are still people living in prisons, re-education camps, or the jungles, trying to find a way out of their own country, hoping to collect on a promise from their former employer.

Refugee Employees

Perhaps I would not feel quite so strongly if I hadn't spent 1976-78 in Bangkok. If I hadn't met people who had been key local employees in Saigon or Vientiane and heard their tales of swimming the Mekong River while bullets zinged all around them. Or stories of surviving on a leaking, overloaded boat as it crept across the Gulf of Siam, not knowing until months later that they would never see their children again. When these former employees finally reached the refugee camps in Thailand, they would come to Bangkok to have their former U.S. government employment certified so that they could qualify for relatively immediate settlement in the United States. There were several U.S. officers at Bangkok who had been stationed in Vietnam and Laos earlier, and some of the Thai employees had met their counterparts when they passed through Bangkok, traveling during happier times, or attending joint training sessions. At lunch-

eons between those American officers and Thai employees and their newly arrived refugee friends there were tales of conversion to Christianity on the high seas, escapes from pirates, and the unspeakable discomforts of the refugee camps.

After lunch, the Thai USIA employees went back to sit at their desks, behind their neat nameplates, in air-conditioned comfort and the Vietnamese or Laotians, certification of U.S. government employment in hand, went back to the filthy, noisy camp, to wait for eventual transplanting to that big, benevolent country that had employed and inadvertently abandoned them. "Remember," remarked an American, "if Thailand is a domino and if it ever falls, you're not talking about faceless unknown Asians behind woven-wire fences or crammed together on sinking rafts. You're talking about Khun Chalermpong and Khunying Puckpring and Mom Luang Poon-sang."

One of our officers in Bangkok had been on that legendary last helicopter off the roof of the embassy in Saigon. When the former employees came to him for that certification, did he stare an extra moment into their faces, searching for the telltale print of an American shoe? Can we accept the dedication, creativity, and energy these people give us and let it all be immortalized in our OERs without also accepting the guilt of that panicked escape, those kicks in desperate faces?

Later, as things deteriorated in Laos and it became less and less possible to do any programing, Washington took the public affairs officer's advice and closed the post. However, so that the operations would run smoothly up till the last moment and an orderly departure could be made, Washington ordered that the news be kept from the Laotian employees until the last possible moment. Before leaving, the officer took a few boxes of dry clothing belonging to his employees, carried it across the Mekong River and stashed it at a safe house in Nongkai, Thailand. Then, if any of them did get out

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The Selling of SALT

By LORI ESPOSITO

In a major speech on national security issues last November, President Reagan announced the opening of negotiations on intermediate-range nuclear forces—INF—in Europe. He also stated that strategic arms reduction talks—to be known as START—were tentatively scheduled to begin during the spring of 1982. These new acronyms, replacing those for Theater Nuclear Forces and Strategic Arms Limitation Talks, herald a new round of arms control negotiations, with the eventual goal of bringing a new treaty before the Senate for ratification. As the administration prepares to embark on this course, it would be wise to consider the history of the battle to complete and ratify SALT II.

Most analyses of the SALT process and the failure to obtain ratification focus on the treaty's perceived technical defects and the policies of the Carter administration. Little attention is paid to the political debate that surrounded SALT II during the first five years of negotiations, although it was that debate that formed the basis of the ratification controversy during the Carter administration.

By looking closely at these earlier years, it becomes evident that one major reason for the failure of ratification was the high political profile of the arms control issue. During the period of negotiation, the SALT process became a central factor in a number of political debates and strategies and, consequently, the pending treaty became an extremely vulnerable

“The Nixon administration sought to assure overwhelming approval of the SALT I accords by presenting them in a manner intended to satisfy both conservatives and liberals.”

political football. Specifically, the Nixon and Ford administrations mishandled the domestic political aspects of the SALT process in a number of important ways which undercut the foundation for a consensus in favor of the completed treaty:

- *Exaggerated expectations:* From the SALT I ratification debate in 1972 and continuing through the Ford administration, SALT was oversold to the Congress in terms of both its technical achievements and its role in overall U.S. foreign policy. Both the Nixon and Ford administrations exaggerated the value of the strategic arms control process in order to quell disapproval for the SALT I accords and assure overwhelming support for SALT II. As détente began to crumble and the agreement failed to live up to the overstated technical expectations, this strategy produced a heightened cynicism toward the arms control process;

- *Public announcement of negotiation goals:* Before the SALT II negotiations began, the Nixon administration yielded to Congressional pressure to endorse publicly a negotiating standard that the completed accords would have to match, in this case “equality.” By announcing a negotiat-

ing goal before the talks began, the executive branch placed itself in a defensive and vulnerable position with respect to its critics.

- *SALT closely linked to presidential leadership:* Regardless of whether there was substantive progress in the negotiations, both the Nixon and Ford administrations exploited the strategic arms talks as a symbol of executive leadership. This exploitation was particularly apparent during the Watergate crisis and its aftermath. As a result, the fate of SALT was closely linked to the perceived effectiveness and popularity of the president.

- *High visibility of SALT in foreign policy debates:* During this period, SALT became an element of almost every defense discussion. The SALT negotiations were used by members of Congress and the administration to support all sides of arguments on national security issues. In Congressional debates, SALT was used as an argument for both increasing and decreasing the defense budget. Because the arms control process was integrated into the full spectrum of national security and foreign policy debates, SALT came to be perceived as playing a determining role in almost every national security decision. Perhaps even more damaging, SALT came to be seen as a vital element in the subsequent success or failure of those decisions.

The SALT I agreement, signed in 1972, placed a five-year ceiling on U.S. and Soviet strategic arsenals and limited their antiballistic mis-

sile systems to two each. The ratification debate during the summer of that year politicized the SALT process and established the precedent of linking approval for arms control treaties to the state of U.S.-Soviet relations, U.S. defense policies, and to the requirements of presidential politics. Although arms control enjoyed support among both the public and Congressional leadership, the Nixon administration feared that the SALT debate, occurring as it did in an election year, might give rise to divisive political pressures. This fear was one of the main reasons the administration sought to assure overwhelming approval of the accords by presenting them in a manner intended to satisfy both conservatives and liberals. The moderate-conservative wing of the Republican party had been crucial to Nixon's victory in 1968. He wanted to maintain his hold on this group but was already being challenged in the 1972 Republican primaries.

It was also necessary to maintain the support of the Joint Chiefs of Staff and Secretary of Defense Melvin Laird. Their cooperation had been required to complete the agreements and would be equally crucial in obtaining acceptance of the accords by the American public and Congress. In Congress, a small but vocal opposition was led by Senator Henry Jackson (D.-Wash.), whose main criticisms of the agreement were that it did not represent an actual weapons-freeze at all, and that it gave an overall advantage

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to the Soviets because they had numerical superiority in land-based systems and could develop a MIRV capability.

Since 1972 was an election year, Nixon was forced to defend the accords against liberal criticism as well. The Democratic candidate for president, Senator George McGovern (D.-S.D.), had proposed a \$30-billion reduction in the defense budget and vehemently rejected suggestions that the SALT agreements should be used as an excuse for an acceleration in military spending. By mid-summer, according to a Gallup poll, the public was more disposed toward voting for a candidate who would decrease spending rather than for one who would increase it.

In order to guard against a conservative attack on the accords, the president determined that a hardline approach was necessary in describing the agreements. In his address to Congress, the president gave assurances that the U.S. defense posture was sufficient, emphasizing that the United States would be second to none and that his administration was moving ahead with future defense programs. During the Senate Armed Services Committee's first hearing on the military implications of SALT, both Laird and Admiral Thomas Moorer, chairman of the Joint Chiefs, carried the president's position one step further and conditioned their support of the accords on the forward movement of programs they deemed necessary for national security. Under pressure from both liberals and conservatives to clarify the administration's position, Nixon stated in successive interviews that both the SALT agreements and the defense programs were equally "essential," but did not make the passage of one contingent on the acceptance of the other.

In the first major test of the administration's approach, the House of Representatives overwhelmingly endorsed a \$1.3 billion spending increase, to be used in part for the Trident submarine and B-1 bomber programs. The bill passed the Senate intact only after the administration sought the help of Jackson in overcom-

ing the opposition of those who were against Trident. Thus, the White House was able to implement successfully its hardline strategy and satisfy, at least for the moment, potential conservative critics of SALT. But the price was high: an important precedent was set, affiliating defense programs with the ratification of arms control agreements, and the groundwork was laid for the later growth of cynicism among liberal supporters of SALT.

Overselling SALT

The most serious result of the Nixon administration's strategy to build a bipartisan consensus was the overselling of SALT. The responsibility to define the SALT process, its role in international affairs, and its future potential fell upon officials of the Nixon administration, as architects of the first SALT accords. Although the administration emphasized the positive impact of the accords' technical limitations on the nuclear balance, the main thrust of its argument highlighted the role of SALT in U.S. foreign policy. In January 1969, in his first news conference as president, Nixon stated, "What I want to do is to see to it that we have strategic arms talks in such a way and at a time that will promote, if possible, progress on outstanding political problems at the same time, for example, on the problem of the Middle East and on other outstanding problems in which the United States and the Soviet Union acting together can serve the cause of peace."

After the agreements were completed, National Security Adviser Henry Kissinger, in a Congressional briefing on June 15, 1972, outlined the broad and central role of the SALT accords. Kissinger explained that the arms control process originated from the administration's desire to move away from confrontation with the Soviet Union through carefully prepared negotiations. SALT was identified as a central element in the move toward a broadly based accommodation of interests with the U.S.S.R. Kissinger stated that "the SALT agreement does not stand alone, isolated and incongruous in the relationship of hos-

tility, vulnerable at any moment to the shock of a sudden crisis. It stands, rather, linked organically to a chain of agreements and to a broad understanding about international conduct appropriate to the dangers of the nuclear age." He emphasized that "the agreement is, thus, not merely a technical accomplishment, although it is that in part, but it must be seen as a political event of some magnitude."

The Nixon administration also oversold the technical aspects of the SALT I accord. Since the issue of ICBM vulnerability had provided an important impetus to the SALT process, Congressional concern focused on the agreement's impact on Soviet ICBM deployment. Critics of the agreement, such as Jackson, were concerned that the unequal quantitative levels of the interim freeze and the ambiguous unilateral statements and "secret agreements" that accompanied the accords would increase the future vulnerability of U.S. ICBMs by allowing the Soviets eventually to combine their numerical advantage and the larger throw-weight of their systems with more accurate warheads having a MIRV capability. Jackson raised these concerns at the same June 15 Congressional briefing and inquired about the possible substitution of "heavy" missiles for "light" missiles. Kissinger replied that although the agreement specifically permitted the modernization of weapons, the administration believed that it had adequate safeguards against such a development because of the provisions "that no missile larger than the heaviest light missile that now exists can be substituted," and "that the silo configuration cannot be changed in a significant way."

However, both the SALT I negotiating record and Congressional testimony substantiate the fact that the administration was aware that the "heaviest light missile," the SS-11, would be followed by a "larger" missile. Yet, Kissinger's descriptions of the limitations raised Congressional expectations of the restraints the agreement would place upon future ICBM programs, thereby laying the basis for future disillusion-

“At the beginning of his second term, Nixon reinforced the central role of SALT by predicting that the outcome of SALT II would be the most important achievement of his next four years in office.”

ment with the SALT process and its ability to stem ICBM vulnerability.

Jackson's skepticism about the clarity of SALT I's provisions ultimately led to the drafting of the Jackson amendment urging the administration to insist in forthcoming talks that the forces of each side be roughly equal. Several liberal senators, among them William Fulbright (D.-Ark.), criticized the amendment as a move away from the concept of sufficiency to superiority and as a threat to the basic tenets of the SALT accords. Eventually the administration and Congress agreed upon sufficiently vague wording for the amendment. However, the various expectations of equality were not reconciled, and the administration was placed in the position of publicly accepting a negotiating goal for which it would be held accountable.

Against this backdrop of high expectations, ambiguous statements, and a vulnerable consensus, the SALT II negotiations were initiated and the domestic political debate continued. Despite the slow progress in the second round of talks, which began in November 1972, SALT remained a relatively high profile issue in the domestic arena. During the second Nixon administration, SALT was linked politically to a number of national security and foreign policy issues that were not directly related to the substantive aspects of the Geneva negotiations. This process of politicization made SALT an increasingly

controversial and public issue.

The administration quickly began this new round of politicization by significantly altering the personnel and role of the U.S. Arms Control and Disarmament Agency. Following the resignation of Gerard Smith, director of ACDA and head of the U.S. SALT negotiating team, the agency's budget was cut by one-third, and the position of chief SALT negotiator was separated from that of ACDA director. U. Alexis Johnson, a career diplomat regarded as a hardliner, was chosen to head the SALT delegation. ACDA remained without a director until April 1973, when Fred Ikle was appointed.

According to press reports, these actions were perceived as an attempt to allay conservative domestic criticism of SALT. In particular, it was believed that these shifts occurred to make SALT more palatable to Jackson. Yet, the administration's actions were actually inciting further domestic controversy and alienating the supporters of SALT. In the Senate, the main liberal opponent of the Ikle nomination was Fulbright, who believed that the appointment represented administration appeasement of Congressional conservatives. As chairman of the Senate Foreign Relations Committee, Fulbright postponed the confirmation hearings until June 1973.

SALT was also used as a debating point by both sides in the argument over strategic doctrine. Since 1970, Nixon had publicly

acknowledged a shift in the way the United States would respond to certain types of nuclear attack. This shift was intended to give the president more flexibility in an effort to discourage all-out nuclear war. In the fiscal year 1975 posture statement, Secretary of Defense James Schlesinger proposed to achieve greater targeting flexibility by improving command and control arrangements and improving the accuracy of some warheads.

Schlesinger used the SALT process to support his arguments for a limited counterforce capability without first strike potential. He stated that the publicly announced change in U.S. policy regarding counterforce might persuade the Soviets to talk seriously about a joint scaling down of more advanced weapons programs and to come to some agreement on SALT II. At the same time, this apparent shift in strategic doctrine concerned many of the liberal senators who had supported the SALT I accords. They argued that the move toward counterforce options would destabilize the strategic balance. Most importantly, they believed that they had been misled by the administration during the SALT I debate and that the administration was once again appeasing the conservatives.

Despite the lack of progress in the international arena, SALT was becoming institutionalized as an important component in the domestic debate on defense budgets and strategy. As the administration moved further and further

away from accommodating traditional arms controllers and used the SALT process to support counterforce systems, liberal supporters of SALT became more disillusioned with the process. They in turn used their perspective on the SALT process to support their positions in the debates. This debating strategy helped to make SALT a high-profile political issue and firmly established it as a factor in national-security debates.

The Watergate scandal also contributed heavily to the politicization of SALT during this period as the Nixon administration exploited the slowly progressing talks as a symbol of executive leadership. In accordance with the 1972 Nixon-Brezhnev understanding to hold annual summit meetings, the White House invited Soviet leader Leonid Brezhnev for an official visit in June 1973. On June 21 an agreement was reached confirming that SALT would establish an essential equivalence in strategic capabilities. Although the agreement provided no indication of substantive movement on SALT, it was announced that both sides pledged to accelerate the talks so that a permanent treaty could be achieved by the end of 1974. To some it appeared as though President Nixon was using the summit to deflect attention from the Watergate hearings that had just begun on Capitol Hill.

SALT was also kept in the political limelight by virtue of its role as the centerpiece in the Nixon administration's détente policy. In its attempts to bolster that faltering policy, the administration over-publicized the SALT negotiations with periodic announcements of timetables for the speedy conclusion of SALT and announcements of two major summits between Brezhnev and Nixon in 1973 and 1974. At the beginning of his second term, Nixon reinforced the central role of SALT with the prediction that the outcome would be the most important achievement of his second term. He also predicted that the agreement might still be reached by the end of 1975, two years before SALT I was scheduled to expire. But as détente began to wobble, disillusionment with the

SALT process gained momentum. Both conservatives and liberals attacked Kissinger's détente policy—conservatives claiming that the United States was being duped by the Soviets, and liberals charging that Kissinger was too willing to involve the United States with the policies of authoritarian governments for reasons of diplomatic expediency. Because the administration had cast SALT as the centerpiece of détente, the arms control negotiations became a crucial target in the debate. The high profile of SALT, despite the lack of substantive progress on the issue, allowed critics an easy target.

General Disillusionment

Initially, critics channeled their general disillusionment with SALT and détente into the technical issues of equality and reductions. In early 1973, Jackson began to call for achieving equality in SALT II by means of reductions in Soviet systems to U.S. levels. In a speech before the Senate on December 4, 1973, he outlined a proposal for a SALT II agreement in which throw-weight would be a consideration in defining equality. Although Jackson's precise proposal was criticized by Senate liberals as being highly unrealistic because Soviet ICBM forces would have to be cut by 818, a consensus was forming around the concept of reductions for SALT II. Joining the call for reductions were Senators Hubert Humphrey (D.-Minn.), William Proxmire (D.-Wisc.), and Charles Mathias (R.-Md.).

The major critics of SALT policy and détente eventually focused on Soviet military improvements and SALT I compliance issues. In March 1973, Admiral Moorer stated that the Soviets were deploying new missiles that appeared to be successor versions of the SS-9, SS-11, and SS-13 ICBMs. This comment was followed by acting defense chief William P. Clements' statement in June 1973 that he was apprehensive about some "worrisome" Soviet military developments and that there was no indication in the wake of SALT I that the Soviet Union was showing restraint in its weapons development and deployment. On

June 20, 1974, Paul Nitze, formerly chief Defense Department representative on the SALT delegation, testified before Jackson's subcommittee and revealed that the administration had left certain loopholes in SALT I concerning Soviet modernization of their older diesel submarines and had attempted to eliminate the ambiguities two months after the accord was signed. The week before his testimony, Nitze had resigned, claiming that concern over Watergate was the predominant consideration in U.S. SALT policy.

Compounding the controversy in Congress was a growing debate within the bureaucracy over technical issues. Kissinger reportedly believed at this point that some agreement toward limiting MIRVs would be better than no agreement at all. Schlesinger, on the other hand, felt that the United States should seek a permanent comprehensive agreement with the Soviets that would increase the permissible number and payload of U.S. land-based missiles and reduce the number of Soviet land-based missiles and their throw-weight. Schlesinger argued that if this sort of permanent agreement could not be concluded, the United States would be better off with no agreement at all. The bureaucratic infighting between Schlesinger and Kissinger received a substantial amount of attention in the press, keeping SALT in the public eye and undercutting even further the possibility of building a strong consensus for later agreements.

The only substantive gain during the Nixon-Brezhnev Moscow summit in the summer of 1974 was an agreement to seek a ten-year accord on offensive arms; this was viewed as a more realistic goal than the permanent agreement previously envisioned. However, along with alienating even further the hardline critics, this decision increased SALT's general vulnerability in domestic politics. Not only did one agreement have to meet the high standards established by the administration and Congress, but an entire process, continuing indefinitely, would have to constantly

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Squeezing the Soviets

Will a New Cold War in High-Tech Trade Freeze the Soviet Union's War Machine?

By PETER L. KAHN

Despite this country's recent unsuccessful experiences with restraints on international trade for foreign policy purposes, President Reagan is leading the United States and its allies into an era of tightly controlled commerce with the Soviet Union. In the process, we may give up many of the benefits of East-West trade while doing little to enhance our military security. Whatever symbolic foreign policy purposes may be served, the real effect will be to further burden an already weak Soviet economy.

These new controls may go well beyond the restrictions on East-West trade that followed the recent crackdown in Poland. Last summer, at the Ottawa summit of seven Western heads of state, Reagan won approval for a policy-level meeting of the members of the Coordinating Committee on East-West trade, or COCOM. Since the NATO countries and Japan formed the committee just after the war, COCOM has only required meetings at the technical-expert level to fulfill its mission of controlling exports of military-related technology to communist countries. Policy-level meetings are extremely rare: the last took place in the early 1950s. The Reagan request for another policy-level meeting, to be held early this year, indicates that the administration hopes to change the principles that have guided

Western security-related export controls for nearly thirty years.

Though COCOM is only based on an informal understanding among allies, its purpose has always been well defined: to prevent strategic materials and technologies from reaching the communist world. Since these are often available from more than one country, multilateral controls were thought necessary to keep each ally from undercutting the strategic interests of the others. The controls depend on voluntary cooperation, but most observers believe them to have been generally successful.

Current Controls

Currently, COCOM embargoes or controls exports in three general categories: military equipment and munitions; fissionable material and nuclear reactors; and industrial and commercial items deemed to have direct military application. Of these, the first two are widely accepted as necessary for Western security. It is in the third area, more ambiguous and more controversial, that the United States is seeking major changes.

The problem that COCOM has always faced in this area is determining which Western exports contribute significantly to Soviet military power. Almost any export, from feed grains to video games, can be said to have military applications. Food exports could free Soviet resources to be used, say, in military research. Steel can produce tanks as well as tractors. Oil-drilling equip-

ment will allow the Soviets to earn hard currency through energy sales, enabling them to buy other, perhaps dangerous technologies. It requires only imagination to see a military threat in virtually every commercial contact with the Soviet bloc.

Nonetheless, COCOM has traditionally taken a rather liberal attitude toward East-West trade. It restricts exports with direct and clear military applications, particularly emphasizing control of high technology. Maintaining the greatest possible technological lead time over the Soviets is thought to be central to Western security, so COCOM has tried to prevent the transfer of technology which, whatever its civilian application, could ultimately raise the sophistication of the Soviet military. Conversely, technology already available to the Soviets is generally not embargoed, even though there may be military uses for it.

Reagan administration officials are arguing that this liberal policy has not been adequate. *Détente* was not only a mistake, they say, for foreign policy, it was also crucial to the growth of Soviet military power because it encouraged East-West trade. In Congressional testimony Assistant Defense Secretary Richard Perle tried to link Western technology sales directly to the Soviet military build-up: "Sophisticated goods and equipment were sold with winks and nods from the Free World countries. . . . Many of the exceptions [to COCOM rules]

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granted to the United States contributed *directly* to Soviet military modernization. Today, we can see the results of this laissez-faire attitude of the last decade in the size and in the technological capability of the Soviet armed forces."

By the new year, administration spokesmen had made it clear that changes will be sought in three areas when the COCOM policymakers convene:

- Extend controls, now limited to industries with direct military uses, to those industries whose output ultimately contributes to military production—so-called "defense priority industries" that support the military indirectly;

- Extend controls, now limited to technological processes or information directly contributing to military production, to a much wider range of so-called "militarily critical technologies" such as computers;

- Increase enforcement measures to prevent unintended or unlicensed technology transfers through commercial and scientific contacts with the Soviets.

During the Carter years, said Perle, "despite the evidence showing that the Soviet Union continued its military build-up and modernization, the liberalized system of international export controls was allowed to persist unchanged." No longer. "The Reagan administration is moving on a broad front to protect Western technology from Soviet acquisition efforts."

The administration seeks tighter controls in a broad range of the defense-priority industries: metallurgy, chemicals, machine tools, communications, microelectronics, shipbuilding, truck production, aerospace, and—most important—computer hardware and software. As for sensitive technologies, Robert Hormats, assistant secretary of state for economics and business affairs, told Congress that "we will use the information which has been developed by the Department of Defense in its work on the Militarily Critical Technologies List," which the United States uses for its own, unilateral export controls.

Both of these categories are potentially very sweeping. Accord-

ing to a recent Rand Corporation report on technology transfer, the Defense Department's list, issued in October 1980, "contains a virtual roll-call of leading contemporary techniques, including videodisk recordings, polymeric materials, and many dozens of others equally broad. If this collection automatically became the basis for the official commodities control list, the entire Department of Commerce would not be large enough to administer the export control program."

The new, more ominous attitude toward commercial contact with the Soviets has also led the administration to oppose a natural gas pipeline from Siberia to Western Europe that has been given final approval by European governments. To be constructed entirely by non-U.S. firms, the pipeline will run 3500 miles from the Soviet Urengoy fields to West Germany. It will deliver about 4 billion cubic feet per day.

Pipeline Objections

The United States opposes this project for two reasons. First, the administration argues, Europe may become dependent on the Soviet gas and thereby subject to manipulation and pressure. They point to the so-called "neutralist trend" in Europe as evidence of weakening resistance to Soviet power, and insist that the dependence the pipeline might engender will reinforce the trend. (The Europeans, on the other hand, want the pipeline precisely to avoid dependence—but they fear unreliable Mideastern oil producers.) Second, the earnings from gas sales will help the Soviets finance their imports from the West, and thereby help their military growth.

The change in trade policy from the Carter administration's is most striking on this issue. Not only did Carter endorse this project, he granted a license to Caterpillar, Inc., to sell pipelaying equipment in the midst of the embargo on grain and high technology that followed the Afghan invasion. Though by late 1980 Carter had presumably been disabused of his illusions about the Soviets, his attitude about East-West trade over the long run

was clearly more optimistic than Reagan's is today.

The pipeline situation provides circumstantial evidence that the administration will strictly apply whatever export controls come out of the COCOM meetings, even taking a hard line on non-embargoed trade with the Eastern bloc. For example, the Soviets plan several more major energy projects over the next few years, most importantly, development of the gas fields at Astrakhan in southern Russia, said to involve more than \$1 billion to Western contractors. Yet Americans expect to get little of this burgeoning business. At a recent oil and gas trade show in Moscow, few U.S. companies were present, while French, British, and Scandinavian firms demonstrated new hope of winning a major share of the market. A spokesman for one of the American companies remarked: "This just isn't a very good time to be associated with Soviet energy development."

Though in late 1981 the Reagan administration had not stated an export policy for energy-development sales, *Business Week* reported most U.S. firms to be pessimistic about sales to the Soviets. The government's long vacillation over the \$144-million Dresser Industries drill-bit plant in Kuybyshev continues, for example, but the government has so far refused to return Dresser's export license. The Europeans and the Japanese, by contrast, are said to be eager to sell to the Soviets.

Though U.S.-Soviet trade is likely to be much more tightly controlled than it has been since the 1960s, the aim of the Reagan administration in this policy is unclear. The more restrictive COCOM control that Reagan seeks is defended as necessary for national security. But it is difficult to find national security justifications for limits in some non-defense areas, such as energy-related exports like pipelaying machinery or enhanced-recovery techniques. The principal effect, to the extent the Soviets are denied these goods will be to slow the development of their energy resources. This will reduce the

sales of Soviet oil and gas on the world market, reduce hard-currency earnings, and ultimately hurt their economy. The question is whether or not a weaker Soviet economy enhances our military security.

Whatever the security result may be, it is almost certain to come indirectly through the Soviet economy, and not through a direct effect on Soviet military preparedness. Many Western defense analysts have argued that trade actually enhances our military advantage. First, trade reduces the ability of the Soviets to innovate independently, thereby increasing Western lead times. Second, trade benefits both sides, but the greater efficiency of Western economies means that we are better able to use those trade benefits. Thus, while both sides benefit, the West benefits relatively more.

The security argument for tightening controls in non-military exports has been questioned by many Western defense analysts, such as Thane Gustafson of the Rand Corporation. His argument grows out of an analysis of the Soviet capacity for independent technical development. Since it is the goal of the United States to maintain technological lead times, says Gustafson, the crucial variables are the relative rates at which the two countries can develop meaningful innovations. The essential question for Western export policy is whether the Soviet Union is "able to absorb the technology it imports, to diffuse it beyond one or two showcase locations, and to build upon it to generate further technological advances of its own. Only then does technology transfer have its most lasting effects." Western export controls, therefore, should aim at preventing acceleration of the rate at which the Soviets can advance independently.

When the United States exports high-tech goods or know-how in low-priority industries, we improve the Soviets' ability to produce output. But at the same time, says Gustafson, we perpetuate their dependence on us and therefore their weakness. Since progress is often rapid in Western

high-technology research, the technology is often obsolete by the time it is installed in Soviet facilities, or it rapidly becomes out of date. By relieving a production bottleneck, we make it possible for the Soviets to move their research personnel to high-priority areas, but they become less able to advance independently, and thus less able to keep up with Western innovations. The result is a lengthening, not a reduction, in our lead time. In short, what matters is not the level of technology transferred, but the effect on their capacity to advance.

Central to this argument is the high political priority given to some Soviet industries. With its command economy, the Soviet Union generally has been unable to provide incentives for innovation that work as well as those

"The Western contribution to the development of Soviet technical ability may have been exaggerated."

growing out of the price system in the United States. Thus the United States tends to innovate more rapidly and more efficiently than the Soviet Union. The Soviets have been able to keep pace with the sophistication of Western military technology only by using substantially greater resources in research and development. This has stripped lower-priority industries of the resources needed to keep up. Falling behind has been made acceptable by the availability of imports that serve as a substitute for independent innovation.

The Soviets are able to innovate independently when they need to. In high-priority areas they innovate rather well by massive infusions of resources, but in lower-priority industries

they innovate poorly. Western exports reduce their ability to innovate, thereby raising the cost of any innovations they do eventually undertake.

For example, the chemical industry—one of those the administration hopes to control more tightly—has relied on Western exports for technical improvement for many years. Philip Hanson, another well-known defense analyst, has argued that Western exports have inhibited the growth of Soviet research and development in this industry too. Not only has technology transfer not given the Soviets an independent capacity for innovation, their dependence on the West for technology exports is greater than if there had never been imports.

This view is confirmed by a recent Organization for Economic Cooperation and Development study of technology transfer. In assessing the Carter embargo on high-technology exports, the study noted that the Soviet Union was dealt at most a temporary setback. The embargo may in fact have been counter-productive because it forced the Soviets to become less dependent on Western technology.

High technology sales actually play a small role in East-West trade, with the United States taking a small share. American sales of high technology items to the Soviet Union totalled \$183 million in 1979, about one-tenth the level of comparable exports from France, Japan, and West Germany. Scientific exchange programs are rather small as well. The 13 bilateral exchange programs have at their peak involved about a thousand people from each side per year, mostly on tightly controlled and superficial two-week visits. The scientific exchanges annually involve only about 250 person-months of visits by each side, few involving actual research. Given this rather meager level of contact, the Western contribution to the development of Soviet technical ability may well have been exaggerated.

Supporters of tight controls on East-West trade often underestimate the ability of the Soviets to innovate independently in the high-priority military sector. In

defending tighter COCOM restrictions before Congress, the Defense Department chose as examples the large truck factory at the Kama River and the Ryad computer systems. Neither is a particularly good example of Soviet dependence on Western technology.

Technical Sophistication

The Soviets have for years had a motor vehicle industry whose technical sophistication rivaled that of the West, according to a 1979 CIA report. The Kama River plant was built with minor amounts of procurement from abroad and did not involve technological processes unavailable to the Soviets domestically. Foreign input into the Kama plant ended at least seven years ago.

The report goes on to note that, in the motor vehicle industry,

The U.S.S.R. has sought foreign technological assistance only for projects of extraordinary size and urgency. . . . There will always be some foreign machinery of a special nature that the Soviets will prefer to import rather than produce domestically, taking advantage of the savings offered by international specialization in production of items used in small numbers. . . . In sum, the lag in Soviet automotive engineering stems from economic factors rather than inferior technological competence.

Restricting sales of automotive production machinery, in short, would not reduce the technical sophistication of Soviet truck production. It would only increase its cost.

The Defense Department also cited the Ryad computer as a case of straightforward technological theft from the United States. Though the Ryads are modeled on the IBM 360 and 370, other analysts have emphasized the differences from the American systems. Seymour Goodman, a leading expert on Soviet computers, has described the Ryad as a case of independently developed "effective functional duplication" with limited compatibility with the IBM, rather than a case of "reverse engineering" copied from the IBM.

Because the Soviets place the

highest priority on military development, and the best scientific resources, materials, and efforts are lavished on defense projects, Gustafson has observed that the West can do little to affect military innovation. In fact, the Soviets have been able to advance rapidly on their own in military-related technology. Gustafson argues that the most important constraint on the development of these industries has not been Western export controls, but inefficiencies in the design and incentive system of the Soviet research establishment.

Technology trade is by no means the clear threat to our military security that the administration claims it is. Its effects are subtle, working indirectly through the complexities of the Soviet political structure. Technology trade may well work to our advantage.

Likewise, the proposed gas pipeline's effect on our security is complex and ambiguous. Past experience with controls on trade for foreign policy purposes, like Carter's grain embargo of the Soviets, shows the protection from political manipulation afforded both buyers and sellers by a free world market. In the future, should the Soviets try to force political accommodation on the Europeans by turning off the gas from the proposed pipeline, there are a variety of alternative sources to which Europe could turn—Algeria, Norway, Mexico—all readily accessible on world markets. Given the easy alternatives, there is little the Soviets can do to exert leverage.

In fact, once the pipeline is in place, the Soviets may be more tied down than the Europeans. The pipeline will be the sole means by which the Soviet Union will be able to market its gas. Should the Europeans refuse to buy at some time in the future—perhaps for political reasons of their own—the Soviets will need to find another way to ship to export markets. With the anticipated decline in Soviet oil production, natural gas will come to be an increasingly important source of export earnings. At a time when they have come to depend on world markets for food, as well

as the industrial and consumer goods critical to their troubled economy, the Soviets are likely to nurture this connection to the West.

Any threat to European supplies comes in the short run, between a possible Soviet service interruption and the time these alternative supplies are brought into use. This time is likely to be short. Natural gas is extensively traded and shipped on world markets. The Europeans already have large liquid natural gas facilities. Strategic stocks of gas are maintained that can be used in the adjustment period.

The Europeans themselves, responding to U.S. concerns, have proposed a safety net to deal with possible short-run costs. These measures include "surge" production capacity for European natural gas; using energy systems that permit substitution of oil or coal; increased storage facilities; and a more integrated supply system, linking a variety of gas sources.

As we have seen, neither the pipeline nor tighter export controls are likely to have large effects on our security. But both will affect the Soviet economy—the pipeline will facilitate more profitable sales of Soviet gas, and imports of technology do aid the Soviet economy—just as trade between two countries contributes to the economies of both.

Security Linkage

Administration spokesmen have nonetheless tried to link Soviet economic benefits from trade with a threat to our security. They have expressed a desire that the Soviets "make the same level of investment that we do" in high-technology research. They have stated they hope to deny the Soviets access to hard currency that can be used to "prop up their ailing economy," and "to prevent manufacturing know-how from reaching the Soviet Union where it can be used to support their military industrial base."

The effect of most past embargoes has been to raise the final price of the embargoed commodity to the target country. For example, the grain embargo imposed by President Carter re-

sulted in the delivered price of the grain to the Soviets rising by about 20 percent, with no other perceptible effect on their access to world markets. The result was to increase the Soviet import bill by billions of dollars, mainly for additional shipping costs.

In almost every case in our recent past, export controls and embargoes have served to punish an adversary, rather than to force that state to change its policies. Our embargo of Cuba brought some hardship to that country and led it to rely more heavily on the Soviets. The Jackson-Vanik Amendment has done little to speed the emigration of Soviet Jews. The worldwide embargo of Rhodesia forced that country into extreme self-reliance but was not responsible for the ultimate transfer of power. Such actions are often ineffective because other sources are found for the embargoed item. Further, they call up reserves of national pride and indigenous resources that enable the country to resist outside pressure, despite the cost.

Tighter controls on high-technology exports to the Soviet Union are similarly likely to fail. But if the Soviets come to develop skills in areas in which they now rely on imports, they must divert resources from areas of low priority. This may slow the production of consumer goods and housing and so increase the strains already present in the economy.

Of course, much of what is embargoed under current COCOM rules should be restricted because of unarguable military applications. But there is no point to an embargo on the trade that works to our advantage, as with low-priority industries.

The Soviets have little trouble gaining truly critical technology through devious means. Said a Defense Department spokesman: "Where they have failed to get what they want openly, [the Soviets] have resorted to a well-coordinated, illegal acquisition program. Using agents, co-opting citizens, taking advantage of unsuspecting businessmen and women, moving goods through neutral and Third World countries, exploiting the weaknesses

in our control system, they are gaining access to Western technology on an unprecedented scale."

But one wonders if the administration is prepared to undertake the intrusion into civil liberties and domestic commerce necessary to prevent technology transfer through all these channels. If they are not prepared to do so, will ruling out legal transfer retard the flow? Might it not be better to rely on the superior research abilities of the United States to maintain lead times?

Abandoned Policies

Finally, if it is the intent of the administration to use export controls to damage or impede the Soviet economy, this is far more than simply an upgrading of the controls already present in COCOM. It is a reversion to policies which the United States abandoned with the passage of the Export Administration Act of 1969.

In the 1950s and 1960s, the United States attempted to embargo communist countries from all goods with even indirect military use. Though the Export Control Act of 1949 was used to embargo purely economic goods, this intent was made explicit in a 1962 amendment to that law which declared "unrestricted exports of materials without regard to their military and economic significance may adversely affect the national security of the United States" (emphasis added). In a recent report on technology transfer, the Congressional Office of Technology Assessment pointed out that "the spirit of the amendment implies the declaration of outright economic warfare on the communist world."

By 1969, Congress had recognized new realities with the Export Administration Act. This law, though since revised, has set the tone of U.S. export policy to this day, emphasizing the mutual benefits from trade by removing the embargo on items of purely economic significance. Among the reasons for this change were the increased importance of our allies in world trade and their unwillingness to go along with a policy of economic warfare. Another was the new Western

attitude toward the communist countries that stressed common interests and cooperation.

Our partners in COCOM are certain to resist an expansion of controls to items with only indirect military—in a word, economic—significance. For one thing, the Western Europeans have persisted in their determination to build the Siberian pipeline. For another, the allies never went along with the embargo imposed by Carter against the Soviets. The Europeans and the Japanese have higher domestic political stakes in cooperation with the Soviets than does the United States, and these countries have never agreed with Reagan's view that détente was a failure. The West Germans insist that trade with the Soviets is itself a central strategic concern, saying that deals such as the pipeline and non-military high-technology sales enforce a healthy mutual interdependence.

Perhaps the most volatile issue in getting the COCOM allies to go along, however, is the charge that President Reagan is playing domestic politics. The United States has always had a small share of industrial and high-technology sales to the Soviets; now, most of that business has gone to the Western Europeans and the Japanese. The United States, on the other hand, has been more successful in selling the Soviets grain and other agricultural products. Reagan ended the grain embargo against the Soviets last April, acceding to the desires of American farmers. But now he wants our allies to participate in a multilateral technology embargo, which will cost them far more than it costs the Americans. Our COCOM partners fear that the United States is asking them to bear the costs of a new cold war.

The proposed changes in East-West trade policy, in short, are likely to be felt not in the military preparedness of the Soviet Union, but in its domestic economy. If the Reagan administration hopes to reduce Soviet military strength by hurting its economy, we shall have returned to the days of rivalry and confrontation, and rejected the possibility of cooperation and mutual benefit. □

Request

Under communist rule, sometimes even a friend must turn a comrade out into the cold

By FRED GODSEY

At five o'clock on that crisp autumn afternoon of 1949 in Budapest, Hungary, I said goodbye to my old friend, Jenó Kovács. I then opened the door and sent him to his death.

We were standing just inside the rear doorway of the American consulate on Victory Square and, as we shook hands for the last time, we both knew that he had only a few hours or, at best, a few days to live.

His face broke into the familiar grin that I had come to know so well over the past few years on innumerable hunting and fishing trips near his village in the hills of southern Hungary. It was a grin that usually heralded a new covey of partridge or good pheasant shooting in a winter cornfield and, afterward in the evening, a friendly glass and good talk in some small country inn.

"Never mind," he said, as he saw the anguish in my eyes. "I'm just a little guy. You did your best. But maybe one day you will do me the great favor to write about this in the newspapers in America so that people on the other side will know."



I first met Jenó shortly after I arrived in Hungary in the summer of 1945 as a consular officer. The American consulate in Budapest had just been reopened at the

end of World War II. The city was in rubble; the dead from recent battles between German and Russian troops were being buried in mass graves in public parks and private gardens. The population faced a severe winter without sufficient food, fuel, or clothing. Corn and cabbage were being planted on the new graves in the center of town.

To supplement our own meager rations, another vice consul and I would drive in our jeep on weekends to farm villages and exchange a few tins of cooking fat or a few cigarettes for some fresh eggs, or, if we were lucky, a goose or a pig.

A Helpful Native

One of these trips took us to a small village near Pécs. We followed our usual procedure and parked our jeep, with an American flag on its radiator, in the village square and were soon surrounded by curious local residents. A tall, lean young man, about twenty years old and dressed in farmer's clothing, stepped from the crowd. He clicked his heels and bowed.

"I am named Jenó Kovács. At your service," he said, and his eyes twinkled with obvious pleasure at the opportunity to try his high-school English.

When informed of the nature of our mission to his village, he said that his father had a farm nearby with a few chickens and pigs. He added, in a conspiratorial whisper, that his father had also managed to hide a barrel of wine from the plundering Soviet troops. Would we do him the honor of accompanying him to his father's farm and perhaps to sample a glass of the wine? We would.

So began a friendship that was to last as long as he lived. I discovered that Jenó was an ardent fisherman and hunter, as was I, and I was soon spending a

few weekends every month at his father's farm. We fished for trout in the summer and hunted hare, pheasant, and partridge in the autumn.

Jenó had big plans for his future. His older brother had been captured by Soviet troops and taken to Russia as a slave laborer. As soon as his brother would come home to help on the farm, he, Jenó, would set about going to the United States. There he would go directly into the U.S. Army, as this would enable him to become an American citizen earlier. Then he would study journalism and become a newspaperman. He didn't know any universities in America, but since I was from Texas, he supposed that the University of Texas was the only place to go—a supposition which I shamelessly encouraged.

By the end of 1948, the communist grip on Hungary was almost complete. The organized reign of terror and oppression by the Soviet and Hungarian political police began in earnest. All western diplomats in Budapest were constantly shadowed and harassed by police agents, and it became dangerous for Hungarians to fraternize with us.

After almost three years of hunting and fishing together, it was difficult for me to explain this danger to Jenó, but I told him that it would be better for him if I didn't visit the farm again. It was agreed that we would not meet for a while. He understood, I thought, since several people from his village had recently been herded into military trucks and taken away.

But I reckoned without Jenó's sense of justice and his desire to help his soon-to-be-adopted country. A few weeks later, he turned up in my office in Budapest and proudly placed a sheet of paper on my desk. It was a list of names of some American citizens from a

for Asylum

CARLY DELANEY



nearby village who had been taken away by soldiers for slave labor in the Soviet Union. Jenó knew that the U.S. consulate was interested in such matters.

I thanked him, then I explained carefully what could happen to him if it should be discovered by the Soviets that he was bringing information into the American consulate.

He shrugged, smiled, and said, "Never mind. I'm just a little guy. They don't notice me."

As the weeks passed and I heard nothing more from Jenó, I congratulated myself. They hadn't seen him come into the consulate. He had realized the danger. He and his family were safe.

The communist police stepped up their activities. Several prominent American and British citizens living in Hungary were arrested on false charges of spying. Two of my colleagues

were declared *persona non grata* on equally false charges and ordered to leave Hungary. An American newspaper correspondent was expelled and his secretary imprisoned. Several Hungarian politicians who had opposed communism in former years were jailed, and a Hungarian clerk in the consulate was arrested and murdered in prison by the police.

The situation became so tense in Budapest that the American minister, as head of the American legation and the consulate in Hungary, held daily meetings with the staff to hear situation reports and to stress the need for extreme caution in associating with local citizens.

The expulsion of a western diplomat on charges of spying was invariably treated by the Hungarian press and radio as a great victory for communism; we Americans walked on thin-shelled eggs.

But the real heroes were the Hungarian staff who continued to work at the consulate under the very real threat of death.

I was sitting at my desk in the consulate writing the final paragraph of a report when Jenó came in. It was three o'clock in the afternoon, and he had the collar of his old hunting coat turned up against the chill autumn air. He didn't say anything at first—just grinned and sat down in the chair before my desk. He was out of breath, as if he had been running. I didn't say anything either because my tongue was stuck to the roof of my mouth. I saw fear in Jenó's eyes for the first time.

A Troubled Friend

"Well, I have perhaps some little troubles," he said. Before he could continue, I stepped quickly to the window of my office, which was on the second floor, and looked down into the square. A black sedan of the type used by the secret police was parked at the end of the street, and two men in raincoats and slouch hats were speaking with the uniformed Hungarian policeman who stood guard at the entrance.

"Yes. You have a little trouble. Let's hear about it quickly, because we may not have much time."

He wasted no words. A communist informer from his village had found out about the list of names which he had compiled and brought to me. His association with Americans was already well known there. The informer had reported his activities to the political police at Pécs, but a friend had warned him in time to leave home and hitch a ride into Budapest on a farm truck from a neighboring village. The police had come to the farm and, finding that he had escaped, had taken his father away.

"But never mind," he grinned. "I've made a deal with a guide who will smuggle me across the border into Austria—tomorrow night."

"Tomorrow night!" I said. "But why not tonight?"

He shook his head. "Can't. This is a professional smuggler. He makes his money by helping people escape from Hungary. He's in Austria now. Comes back here tonight, and we leave tomorrow evening as soon as it is dark. I meet him at the west terminal station of the number-twelve streetcar—tomorrow night."

I walked again to my window and peered out. The men and the sedan were gone. "Do you think the political police know that you are here?" I asked.

"I don't know, I was very careful."

In my mind, I examined the possibilities as rapidly as I could. I was about to suggest that we leave by a rear door of the consulate and go to my apartment. Then I thought of the two plain-clothed policemen who kept watch day and night outside my apartment building.

I explained to Jenó why I could not take him to my apartment to wait until the time to meet his guide. He had no other friends in Budapest and no safe place to go.

"Never mind," he said. "You will let me stay here tonight—here in the consulate. I'll leave tomorrow evening when it begins to get dark."

"Jenó," I said, "I'm going to try to do just that. I think it is your only hope. I'm going to try, do you hear? But first I have to tell the minister and get his okay. But if he says no, then I can't do it. You understand, there are certain rules—"

"But of course!" he interrupted. He was smiling again. "Of course. Ask the minister. He will say yes. This building is a part of America, no? And in America everybody is free, no? Even a little guy like me! Of course. Ask the minister."

With Jenó waiting in my office, I rushed upstairs, brushed past the minister's secretary into his office. The minister, a dour man, was considerably irritated by my interruption. I explained the sit-

uation in detail. I re-explained. I argued. Finally, I pleaded, but with no success.

"The man is not an American citizen, and even if he were, there are certain rules. . . ." The answer was no.

It was nearing closing time for the consulate, and dusk was settling over Budapest. With leaden feet and a heavier heart I made my way back to my office. Jenó was just sitting there, still smiling.

"Jenó, I'm very sorry," I began.

The smile on his face was replaced by a look of utter disbelief. "But he must not have understood! There must be some mistake! Did you explain that it is only for tonight that I am asking?"

Jenó finally understood that there was no time for an appeal of the minister's decision, and that the best I could offer him was a silent exit through an unguarded rear door. I'm afraid that he saw the tears in my eyes.

Then he shrugged. The smile returned. "Never mind," he said, and stepped toward the rear exit. "I'm just a little guy. You did your best. But maybe one day. . ."

I opened the door and said a silent prayer.

Two weeks later, a dirty, worn envelope was left for me at the reception desk of the consulate by a shabbily dressed man who refused to give his name. It contained, in labored handwriting, a note written with pencil by Jenó's mother. It said that his body had been delivered to her by the communist police, together with an official document saying that Jenó had committed suicide while in prison. This was—and is—the usual cover for murders by the communist police. Jenó had been murdered.

So, in accordance with what was probably Jenó's last request, I set down these lines so that, as he said, "the people on the other side will know."

It's the least I can do. □

Fred Godsey was in the Foreign Service from 1942-51. He served in Budapest, Hungary, from 1945-50. He now lives in retirement at Vogelsberg 15, 7591 Obersasbach, West Germany.

Working for Cousin Sam

(Continued from page 19)

and swim the river, they could at least arrive at the refugee camps in Bangkok in dry clothes.

While all of this was going on, the State Department sent out a reclassification team to look at local jobs and their salary scales. The team briefed us on their procedures and explained how, the year before, they had effected considerable savings to the U.S. government in Japan by reclassifying most everyone and giving jobs more "realistic"—that is to say, lower—classifications. Patiently, they explained how carefully they would look at all the jobs our Thai employees did, and then find jobs within the local business community that most closely resembled them. Salaries would be set at a fair and comparable level.

"But what about the hazardous duty factor?" someone asked, recounting how only a few years before a film projection team from the branch post in Chiang Mai had been massacred by communist guerrillas in the mountains.

"And what about the potential hazard of working for another government in a volatile part of the world?" I asked. "If Thailand, God forbid, should ever fall to the communists, these people would be the first to be singled out for special punishment or rehabilitation or whatever."

The team leader smiled gently. "Now we can hardly go around considering hypothetical problems and putting monetary value on them," he said. "That sort of thing just doesn't enter into the computations." Yet for Americans a monetary value has been set on the hypothetical health hazards of living in Bangkok, and everyone gets a ten-percent pay differential. But of course that's a different situation.

In the three years since I left Bangkok, a large number of the Thai employees of ICA Thailand have had their jobs abolished. The Thai economy is not in any condition to absorb these people easily but they are relatively well off—at least they're not political refugees. □

The Selling of SALT

(Continued from page 24)

fulfill these criteria within very fluid domestic and international environments.

In August 1974, President Nixon resigned. As confidence in executive leadership sank to new depths, SALT's vulnerability in Congress intensified. At this time, new charges surfaced in Congress regarding Soviet compliance with SALT I. Of particular concern to several Congressmen was the fact that the agreement's provisions had not prevented the Soviets from increasing the throw-weight of their replacement for the SS-11 and the SS-9. In response to these charges, a special meeting of the U.S.-Soviet Standing Consultative Commission was scheduled for January.

In the meantime, however, President Ford continued the practice of using SALT to enhance executive credibility. At the Vladivostok summit in November 1974, Ford and Brezhnev announced that further negotiations would be based on a framework in which both sides were subject to an overall ceiling on delivery vehicles of 2400 and a ceiling of 1300 on MIRVs.

The public announcement of the Vladivostok accords only served to highlight the agreement's central role in U.S.-Soviet relations and make it even more vulnerable to presidential fortunes and misfortunes. The announcement fueled attacks on the accords, forcing the Ford administration to use valuable political capital to support a still uncompleted treaty.

As Nixon had done in 1972, the Ford administration proceeded to oversell the agreement. In an apparent appeal to the traditional supporters of arms control, Kissinger hailed the accords as a "triumph" which would "put a cap on the arms race" by making it difficult for either side to achieve "any significant breakthrough(s)." Ford announced that it would prevent "an arms race with all its terror, instability, war-breeding tension, and economic waste." The administration estimated that if the accord were rejected, an extra \$5-10 billion

would be needed for strategic weapons.

Once again, however, the administration attempted to play both sides of the issue by releasing statements designed to appeal to critics, including calls for the integration of SALT with increased defense spending. Schlesinger termed the accord "a major step forward" but also indicated that it was not "utopia" and could lead to extensive changes and increases in U.S. strategic forces. He proceeded to list Trident, B-1, and MX as programs that would be required to maintain equivalence with the Soviets. Ford also attempted to preempt conservative opponents by announcing that he would submit a new budget aimed at keeping U.S. military strength "up to the ceilings allowed."

Ratifying the Arms Race

Congressional reaction to the accords was unenthusiastic. Some liberals claimed it represented a ratification of the arms race. After Congressional leaders were briefed by the White House, George Mahon (D.-Texas), chairman of the House Appropriations Committee, articulated the general reaction of those who supported the accords with the statement that "nobody was overwhelmed by the agreement" which was of "considerable but not monumental significance." Liberal skepticism focused mainly on the high ceilings, minimal technological restraints, and the administration's hardline statements on defense. As a result, Senators Edward Kennedy (D.-Mass.), Walter Mondale (D.-Minn.), and Mathias announced that they would introduce a Sense of the Senate resolution calling upon the president to use the Vladivostok accord as a basis for negotiating reductions in weapons levels. Among moderates and liberals, the only support for the accords, foreshadowing the unenthusiastic support for SALT II, was that the deal was better than no agreement at all.

The criticism from conservatives focused mainly on the 1972 negotiating goal of equality. After a separate briefing from the White House, Jackson expressed

"severe disappointment" because the accord did not provide for limits on and reduction of megatonnage, and it permitted the Soviets "an astonishingly large number of MIRV missiles." Paul Nitze charged that the new agreement provided the appearance of equality but did not deal with throw-weight. Both men noted critically that the new Soviet Backfire bomber was not included in the aggregate. Ronald Reagan, Ford's conservative competitor for the Republican nomination, also joined the critics who argued that the treaty was "not really equal."

Jackson's most forceful criticism was one shared by his liberal counterparts: that the number of allowed launchers was so high. The senator urged his colleagues "to let the administration know that it must go back and negotiate a treaty that provides for substantial, mutual, long-range phased reductions." Initially, Kissinger rejected Jackson's call for renegotiations. But, as the consensus for reductions grew, Kissinger undertook negotiations with the Soviets to modify the wording on reductions in hopes of increasing support for the accord.

In the spring of 1975, as Ford worked to establish his presidential credibility before the election year, he announced that some tentative decisions on SALT II might be reached during Brezhnev's visit in the fall of that year. Awareness and concern over SALT were increased even more when the issue of Soviet compliance with SALT I flared up again. As criticism mounted, Kissinger held a press conference on December 10, 1975, to rebut the charges. Kissinger's detailed descriptions of investigations into the complaints and of meetings with the Soviets was the administration's first public response to the charges and marked another stage in the politicization of SALT. Nor was the compliance question quelled by the press conference; in 1976 former Secretary of Defense Laird also charged that the Soviets had violated the agreement. SALT remained a subject of media attention during public discussions of cruise missiles and the Backfire bomber and follow-



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ing reports of increasing controversy and dissension within the administration over the accords.

By late 1975, with the shadow of the election year looming large, SALT had become the most troublesome foreign policy issue inside the Ford administration. On October 12, 1975, Kissinger announced that 90 percent of the negotiations for a SALT II agreement with the U.S.S.R. had been completed. However, he also acknowledged that the talks were running a few months behind and that Brezhnev's fall trip might have to be postponed. Several days later, it was reported that the United States had privately informed the Soviet Union that it would be politically impractical to pursue the negotiations beyond early 1976 because of the U.S. presidential election campaign.

No agreement was achieved by early 1976, so the SALT talks were allowed to stagnate for the remainder of the election year. The campaign provided both liberal and conservative critics of SALT and détente an opportunity to refine and publicize their criticisms. As result, SALT became even more of a political issue in the domestic arena and the momentum against the second treaty accelerated. As Soviet adventurism in Africa increased, the accord became the major symbol of an apparently failed détente policy. Kissinger's trip to Moscow in January 1976 was seen as another overly anxious move by the administration to complete any accord. By the end of the election campaign and the inauguration of President Carter, the uncompleted SALT II agreement had no solid constituency willing to support it as negotiated.

The mishandling of SALT in the domestic political arena during 1972-76 played a major role in undercutting the development of a consensus for SALT II and set the stage for the ratification debate in the Carter administration. Although it would be unrealistic to expect that any foreign policy issue could be totally isolated from domestic politics, in the case of SALT the long-term success of a particular policy—strategic arms control—was endangered in an

attempt to achieve short term political advantages in the domestic arena and to bolster other foreign policies coming under increasing attack.

As the Reagan administration prepares for the START talks and the INF talks begin their second session, important parallels are becoming apparent between today's highly charged political environment and the situation at the beginning of the SALT II negotiations. Although the Reagan administration has urged caution in terms of what arms control can achieve for U.S. security and has also tried to readjust the role of arms control in U.S.-Soviet relations, the seeds of the politicization of the forthcoming negotiations are already visible.

Just as the Nixon and Ford administrations raised expectations by claiming that SALT would cap the arms race and put a lid on technology, the current administration has flaunted phrases such as "genuine arms control" and "real reductions." A negotiating goal based on a "zero option" was publicly announced before the start of the INF talks. That goal is even more specific than the "equality" that later plagued the Ford administration and will establish a rigid standard by which any future agreement will be judged. Political pressure, although more foreign in origin than domestic, has also been a factor in the administration's handling of the issue. The international transmission of the president's speech of last November raised the profile of arms control negotiations to the highest level. The address also closely linked presidential leadership and effectiveness to the talks. In all, the INF and START talks have received an exorbitant amount of publicity despite the fact that little or no progress is expected in the negotiations in the near future.

At this stage it is clearly premature to predict the outcome of the present arms control negotiations. Past experience, however, suggests caution in managing the domestic political aspects of arms control. Without that caution, any consensus for a future arms control agreement may be destroyed. □

FOREIGN SERVICE PEOPLE

1982 AFSA/AAFSW Merit Awards To Honor Betty and Norris S. Haselton

This May, some 22 graduating high school students who are dependents of Foreign Service personnel will receive AFSA/AAFSW Merit Awards given in honor of Betty and Norris S. Haselton. The Haseltons were well-known and well-loved throughout their long career in the Foreign Service. Their interest in and work on behalf of both AFSA and the Association of American Foreign Service Women continued after their retirement 18 years ago.

When Norris Haselton died in May 1981, contributions for the Scholarship Fund were received from friends all over the world, and a scholarship in his memory was given for the academic year 1981-82. The Merit Awards this spring will honor Norris and his wife, Betty, who has been a mainstay of the AAFSW Book Fair since its beginning in 1961. Both Haseltons put in thousands of hours helping to make the fair the increasing success it has become. Betty has been in charge of recruiting volunteers and cashiers, and maintaining the roster to ensure adequate coverage at the checkouts for every day of the sale—a tremendous task. She also has been a constant and a helpful volunteer in the AFSA office, in addition to her many other community activities.

Norris Haselton spent 29 years in the Foreign Service, rising to the rank of career minister in 1960. Foreign assignments included Guadalajara, Manchester, London, Calcutta, New Delhi, Santiago, Rio de Janeiro, and Wellington. He attended the National War College in Washington and the Naval War College in Newport as the State Department adviser. He became inspector general of the Foreign Service in 1962. Betty Haselton, always active in AAFSW, was one of the founders of its hospital visiting program started back in the 1960s when all ill Foreign Service personnel were brought back from overseas to be treated at the public health hospital in Baltimore.

In addition to her AAFSW programs, Betty has been active at the Washington headquarters of Planned Parenthood and with the American Red Cross. Both Haseltons have always been especially helpful to young Foreign Service personnel. In light of all the above, the Committee on Education, American Foreign Service Association, is pleased to announce the 1982 Merit Awards in honor of Betty and Norris S. Haselton.

The AFSA/AAFSW Merit Awards, \$500 each, will be given to the 22 winners, who compete on the basis of academic standing. Four panels of 24 volunteers from State, AID, ICA, and AAFSW will review all the applications and rank each student. All dependents of Foreign Service personnel who are serving or have served abroad are eligible to apply if they will be graduating high school in 1982. *The deadline is February 15, 1982. Send for applications immediately to AFSA Scholarship Programs Administrator, 2101 E St. NW, Washington, DC 20037, or call Dawn Cuthell directly at (202) 338-4046. Remember, all material must be in the AFSA office by February 15, 1982. Applications for financial aid grants for undergraduate study, based solely on need, must also be filed by February 15, 1982. Apply immediately.*

Death

THOMAS FLAHERTY, until retirement general field operations chief of the State Department Office of Foreign Buildings, died of a stroke October 31 at his home in Washington, D.C. He was 75.

Flaherty was a Foreign Service officer for 25 years. A native of Boston, he was graduated by Boston College and received a law degree from Georgetown University. He worked for the Agriculture and Treasury departments before joining State in 1948.

During his years with State he was involved in the purchase and sale of U.S. embassy and consular property throughout the world. He became an authority on international real estate dealings and foreign currency exchanges.

He is survived by his present wife, Sara McCormick Hall Flaherty of Washington. (His first wife, the former Margaret Robertson, died in 1960.) In addition, five children survive from his first marriage, three stepchildren, 18 grandchildren, and a sister.

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