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LETTERS

Arabesque

Curt Jones's article on "The Education of an Arabist" [December] makes cogent and valid points about the importance of expert knowledge and the State Department's need to make better use of area specialists in our diplomacy. And yet I read through his article with disappointment. Its general effect could be to reinforce a negative public image of our "Arabists" which Mr. Jones rightly deplores — an image which, by and large, I consider uninformed, unfair, and damaging to the conduct of our foreign policy.

My disappointment with Mr. Jones's article stems from his apparent belief that the Foreign Service officer has a right to differ *publicly* with established policy when he believes that policy to be misguided. The FSO has the right and moral duty to argue his position in the process of policy formulation and review. That is where his expertise can best pay off. But there is an enormous step between arguing one's position "within the system" and speaking out in public in criticism of policy duly reached and in force. Surely a career system in our form of government depends on the principle of subservience in policy matters to the decisions of the president and his senior appointees. That principle is particularly applicable to foreign policy issues of high visibility and intensity such as Arab-Israel affairs. Of course, if the FSO comes to the conclusion that he can no longer work effectively within the system because of differences with official policy, he has the honorable alternative of resigning his commission and arguing his position in public.

It would be unfortunate, it seems to me, for uninformed readers to assume that Mr. Jones's views on the matter of principle discussed above reflect the views of most of our Arabists. I am convinced that they do not. I have worked closely with many of them and have a very high regard and respect for their professionalism in support of our policy and diplomacy. I have welcomed numerous opportunities over the years to speak up in support of the department's Arabists when faced with hostile questions in academia, synagogues, and other public audiences.

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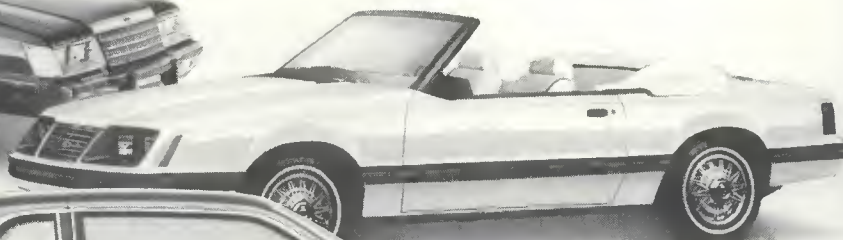
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FORD EXPORT DIVISION

The question here is not what an officer believes is right or wrong in our policy. On various aspects of Mideast policy (as elsewhere) there is plenty of room for honest differences of opinion. It happens that I agree with Mr. Jones on the importance of our maintaining good relations with the Arab states but disagree with him that there would not be room for a Jewish state in the Mideast of the future. I agree with him that our policymaking on the Mideast has been tilted by domestic pro-Israeli influences; on the other hand, I don't share his apparent view that Foreign Service specialists should have a special hold on policy

advice on what is in the U.S. interest, in disregard of legitimate public sentiment: the problem is to get a sound balance in consideration of conflicting views.

I deplore, like Mr. Jones, the gradual evolution of "Arabist" from appellation to epithet. I believe he could have done more, in his article, to set the record straight.

SIDNEY SOBER

Foreign Service Officer, retired
Washington, D.C.

You summarized Curtis F. Jones's article, "The Education of an Arabist," as follows:

"One Foreign Service officer discovers that specialization is not without its perils as he faces the problems of skeptical superiors and hostile special interest groups." This is a fair statement of what the author alleges. Does he have a legitimate gripe? His position after the 1967 Arab-Israeli war was as follows, in his words: "In the Mideast of the future there would be room for Jews, but not for a Jewish state." I will not try to get into how this could be accomplished, even though Jones presumably thought he knew once he saw the truth. His position, to put it simply, was that a sovereign state that his government recognized should cease to exist. He circulated this position in official channels, which is fair enough, and he also took "every opportunity" to disseminate his views to interested Americans. He gave these views to columnist Joseph Kraft and to university and other groups when sent by the department to give public talks.

For his troubles, he was promoted to deputy assistant secretary, director of research for the Near East area, and ultimately was offered an ambassadorship, which he says he declined. I would conclude that the malfeasance was the opposite of what Jones asserts. Despite his public disagreement with his government's position, and his taking every opportunity to make this disagreement known, he was given senior positions of great responsibility. This was the dereliction. It is precisely this kind of action that from time to time makes the "special interest" group that Jones castigates suspicious of the department's adherence to national policy.

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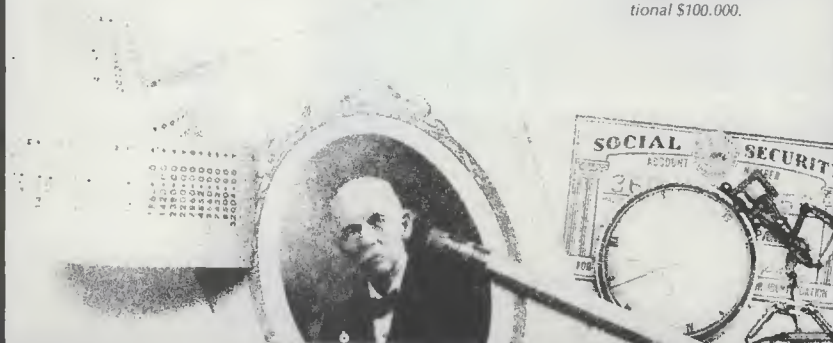
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I am not surprised at Mr. Jones's bitterness. His essay on the education of an Arabist proves the point of those that criticize the State Department for being anti-Israel, and I suspect his opinions are shared by a much larger percentage of FSOs than he would have us believe.

We are beholden to Mr. Jones for his frankness, which confirms the popular image of the State Department Arabist and justifies the low esteem in which they are held. An admitted graduate of the Mideast tennis courts and cafés, he believes that the only reason the U.S. supports Israel is because of the Israel lobby—read American Jews and some misguided Christians.

Nothing about shared ideals and princi-

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ples. Nothing about Israel being the only dependable and constant ally of the United States in the Mideast. Nothing about how Israel serves U.S. national interests there vis-à-vis the Soviet Union. Nothing about the valuable military and political intelligence Israel provides. He sees no place for Israel in the Mideast, and thus accurately reflects the views and interests of those Arab nations in which he so lovingly dwelled.

His knowledge of the spoken language deems him (in his eyes) as eminently qualified to determine objectively U.S. interests in the Mideast. *Après moi le déluge*. I don't know whether to laugh or cry, but I now am more thankful that officers of his ilk have been kept in lower-level positions, and hope I am wrong in fearing that the opposite trend now prevails.

JOSEPH ROMANELLI
Rockville, Maryland

Author Curtis F. Jones replies:

Messrs. Weintraub and Romanelli disagree with my conclusions, and no amount of dialogue is likely to bring us into agreement. But to my respected former col-

league Sid Sober I would like to direct the following remarks:

Politicians have two occupational failings: They deal with problems beyond any one man's comprehension, so they are often wrong, but they crave reelection, so they rarely admit their mistakes. The saving grace of democracy is that sooner or later the people have the final say. However, they need access to facts. When president, cabinet, and Congress all march off to disaster, as they did in Vietnam and threaten to do in the Mideast, who is to give the warning? We are blessed with resourceful and dedicated media, but they were slow to appreciate the folly of the Vietnam involvement, and most of them purvey injurious mythology about the Mideast—such as the perennial assertion that Israel is a barrier to Soviet penetration of the Arab world.

Civil servants are fallible too, but that condition does not exonerate them from their constitutional and ethical responsibility to do all they properly can to help capture the elusive truth. An FSO's views are sought out by press and public; who listens to embittered ex-officers after the initial flurry over the resignation? Civil

servants have been known to sabotage policy by leaking embarrassing documents. I'm not advocating this tactic. I do advocate that dissent never be classified for the convenience of the incumbent administration. I challenge the "principle of subservience." What better term to describe the performance of thousands of German officials who were accomplices in the "Final Solution"? Policy is too important to leave to the politicians.

Rating Rating Systems

Having read with interest both the Wach and Rouse articles on the State Department's performance evaluation system ["Ranking and Your Future at State," by Raymond Wach, December; "State's Ranking System Is Fair and Dependable," by John Rouse, January], let me offer a perspective from having just served on one of the 1982 Performance Standards Boards. My main impressions were as follows.

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Board to the PSB. All had identifiably severe job performance problems.

Not all deserved to be selected out. Our board recommended retention, with counseling, of 33 percent of the officers whose cases we reviewed. In one case we gave the officer the benefit of the doubt over conflicting information in the file. Other officers showed uneven performance over a number of years but seemed to be on current upward swings.

In order to get a good feel for overall performance standards for the grade and the functional specialties we reviewed, the PSB was required to read several dozen sample "control" files of officers whose performances ranged from water-walking to unexceptional. This file review showed appraisal inflation as described by Messrs. Wach and Rouse. But careful reading of the files with attention to nuance, indirect comments, and especially citation of examples or the lack thereof permitted distinctions of evaluations to be made fairly readily. We could see that despite appraisal inflation, the Selection Boards' task of ranking candidates for promotion was a feasible one.

I found the PSB process to be very fair. Whereas Selection Boards have to decide about many officers in a relatively short period, our PSB was encouraged to take whatever time it needed to work on its much fewer cases. Since the files went back to the 1960s and earlier, the process did take time. All our board members meticulously reviewed each file back to the officer's entry into the Foreign Service. Although only a majority vote was required, we found we could agree unanimously on each case, and we justified our decisions extensively in writing.

Based on my PSB experience, I believe Mr. Rouse's article portrays the personnel evaluation system more accurately than Mr. Wach's. Given human nature, a perfect rating system is impossible. The files we read did show some diminution in clearly critical remarks since about ten years ago when raters were no longer allowed to write performance evaluations, parts of which were not shown to rated employees. But candor diminished less than I would have expected.

Some may feel that the system has become too weighted toward scruple and against "efficient" separation of marginal performers. I prefer to regard this as a bias toward fairness, and conclude from my stint on the PSB that our system works reasonably well.

D. THOMAS LONGO JR.
Analyst for Italy, Malta, and the Vatican
Washington, D.C.

It is timely that Raymond Wach chose December 1982 to write his article on the State Department's performance ratings, when AID's administrator was agonizing over how to bring AID's Performance Evaluation Reports down to earth. Some 54 percent of State's FSOs were, paradoxically, "unmatched in class." Can AID hold a halo to those superlatives?

AFSA, too, in this issue, has devoted an editorial to the question of equitable PERs. Administrator M. Peter McPherson's intentions are noble, but I believe his energy would be better directed elsewhere. During my tenure with AID, six administrators (plus one acting) have tried various ploys (graphs, curves, "thermometers," etc.) to achieve a similar end. All have failed. That in part is because there are really three factors that always have and always will determine promotion, regardless of evaluation format: The rating officer must desire to have the rated employee get a promotion; the rating officer must be a skilled writer; and the rating and reviewing officers must proportionately help the rated officer by their relative rank, professional reputation, and clout within the agency.

As can be seen, none of these factors necessarily has anything to do with employee performance. Will any of them be affected by the new system? Doubtful. However, the new system is already causing trepidation and mistrust of being betrayed—if not by higher echelons, then possibly by other missions whose raters may interpret the new requirements differently. As long as we are rated by humans rather than computers, universal standards will not be applied universally.

The administrator needs to recognize that understanding, rather than coerced change of the system, is the key to its "equity." Will the imposition of a new format result in different individuals' receiving promotions? It is not defined as having that purpose, and it is doubtful that it will. But it will provide the potential for a wave of protests which could further delay the awarding of promotions already long overdue. The system must still depend on its evaluators to keep it honest. As the State results clearly show, AID need feel no stigma about a superfluity of superlatives.

WILLIAM ACKERMAN
Agency for International Development
Jakarta, Indonesia

Author Raymond J. Wach replies:

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judge by the comments I personally have received. It seems that rarely have so many agreed so much about so few problems! John Rouse's comment in his counterpoint article in January that most FSOs are "generally better than average" is felicitous, as is his welcome acknowledgement that we all owe a large debt to the Selection Board members. This debate in print has removed most obstacles to an informed discussion of reforms, which need consist only of a few small changes and adjustments.

In any case, I hope the Office of Personnel will begin compiling and releasing up-to-date and more complete management data. In management, the truth will set you free—of errors.

Recognizing Spouses

Of the thousands of incentive awards given to members of the foreign affairs agencies each year, as far as I can tell only one goes to a dependent spouse, i.e., the Avis Bohlen Award [December]. Cecil B. Lyon's letter about the Norman Armour in the same issue, and the article about the Hecks in the December issue of *State*, reminded me again of the enormous uncompensated contributions being made by spouses and other Foreign Service family members, only a tiny fraction of whom have their efforts recognized in any public way. Things are absurdly out of proportion, aren't they?

ROBERT HUESMANN
Director, AID Mission
Mbabane, Swaziland

Kudos for the Club

Recently, I had opportunity to visit the Foreign Service Club for the first time since the celebrated poll and the decision to continue the club in being. I was impressed. The place is bright and cheerful, spotlessly clean, and the menu strikes me as being as good as anything within the far reaches of Foggy Bottom.

I was surprised only by the small number of patrons at high noon. I think the Foreign Service owes it to itself to show stronger support for a worthwhile effort. And I would think all of us owe it to ourselves to get away from desks in the State Department more often than the evidence on the day of my visit to the Club suggests to be the case.

L. BRUCE LAINGEN
Vice President,
National Defense University
Washington, D.C.

BOOK REVIEWS

Kennan's Criticisms

THE NUCLEAR DELUSION: Soviet-American Relations in the Atomic Age. By George F. Kennan. Pantheon Books, 1982. \$13.95.

The Nuclear Delusion is a collection of articles and speeches by George Kennan on the two most sensitive and difficult issues of U.S. foreign policy—nuclear weapons and Soviet-American relations. Our most distinguished adviser on the U.S.-Soviet problem writes with elegance and perception, and these essays, which range from 1950 to the present, demonstrate a remarkable consistency in his views. His diplomatic reporting and public writing, including the "long telegram" of February 1946 and the famous article by "X" in *Foreign Affairs* the following year, helped cure Washington, he believes, of a "naive optimism" about Stalin's U.S.S.R. But the author of the United States' containment policy was even then—as he is now—sharply critical of the excessive militarization of U.S. foreign policy. He opposed early development of the H-bomb and, in a 1950 memorandum to Secretary of State Dean Acheson, urged that the United States adopt a policy of no-first-use of nuclear weapons. Today, Kennan is still arguing the case for no-first-use.

Kennan has been conservative in style and temperament but independent and non-conformist in his thought. During the late 1940s and 1950s, he pursued two causes: the elimination of nuclear weapons as a factor in the military postures of the great powers and the defusing of the Soviet-American confrontation by the disengagement of their military forces from Central Europe. He seems still to hold that disengagement and a united and disarmed Germany would have brought stability to Europe. This premise was never put to the test; instead, West Germany's Ostpolitik has been based on the proposition that acceptance of the territorial status quo in Europe is the most effective way to mitigate its consequences.

Kennan is deeply concerned by the present course of Soviet-American relations. He points out that for years U.S. government officials have talked as if the military balance were the only significant factor in



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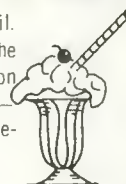
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U.S.-Soviet relations and that discussions of military problems have usually been cast in the most open ended terms. He fears that if the Soviet leaders conclude that the U.S. administration believes that war is inevitable, they too will ignore all possibilities for peaceful accommodation. Although he favors strengthening our conventional capability, he does not believe that the Soviet Union is obsessed by the desire to invade Western Europe, or that the Soviet conventional strength in Central Europe has been "remorselessly growing."

With the ironic exception of the containment policy, Kennan's views have generally not found favor in the Oval Office or on the seventh floor of the State Department. Kennan has lacked political or bureaucratic clout. But in this collection of essays, by recommending the start of a patient and sustained dialogue between Washington and Moscow, Kennan makes a powerful case for an American effort to reverse present trends in U.S.-Soviet relations. —DAVID LINEBAUGH

America & Oil

OIL AND TURMOIL, America Faces OPEC and the Middle East. By Dankwart A. Rustow. W.W. Norton and Co., 1982. \$14.95.

Rustow, a professor of political science and sociology at the City University of New York, has written a useful overview of the Western European and U.S. impact on the Mideast, covering the period from the establishment of British rule in Egypt in 1882 to the Reagan administration's decision to sell AWACS aircraft to Saudi Arabia a century later. As the title suggests, primary emphasis is given to the development of the region as the world's most important source of oil. The author carefully traces the evolution of relations between the foreign petroleum companies and the host governments, starting with the absolute domination of the companies in the years before World War II and ending with the situation today, in which the companies conduct operations at the sufferance of the OPEC governments.

Rustow recalls for the general reader such dimly remembered facts as the U.S. government's tacit support, by permitting the companies to deduct higher royalty payments from their federal taxes, for an increased share of the profits being paid to the host governments—at a time when the Mideastern governments' bargaining position was too weak for them to demand it. For the 1980s, Rustow predicts a continuing shrinkage of OPEC's share of the market, Saudi ascendancy in the organization's

decision-making, and the adoption by the oil cartel of some formula to index petroleum prices to world industrial production and prices.

Unfortunately, the author's writing style does not equal his knowledge of the area or the importance of the material. The book suffers from a hodgepodge of unexplained dates and facts. Passages are inserted with seeming indifference to their chronological relationship with the narrative, and the writing style inexplicably shifts from the scholarly to the journalistic. In sum, *Oil and Turmoil* is not recommended for light reading. Despite its flaws, it could be useful as a reference for the expert or as introductory reading on recent developments in the Mideast.

—BENSON L. GRAYSON

Iran: A Partial Account

CRISIS: The Last Year of the Carter Presidency. By Hamilton Jordan. G.P. Putnam's Sons, 1982. \$16.95.

What can one say about the Carter administration and its role in the hostage crisis and the Iranian revolution? The basic question "why" remains unanswered. In the absence of an official inquiry into the subject, the question will remain unanswered for some time. Books such as Jordan's will provide only partial accounts from the special perspective of one observer or participant.

One thing is clear from Jordan's book: The hostage crisis was not part of any conspiracy within the U.S. government. Although this far-fetched theory has considerable credibility among Iranian exiles, such a conspiracy would have required a degree of coherence, planning, and coordination that has not existed in any recent U.S. administration. Those who believe events in Iran are controlled by buttons pushed in Washington will be relieved (or disappointed) to find that the buttons do not exist. Or, if they do exist, they are connected to nothing but a few deluded political has-beens.

An alternative to the conspiracy explanation is the theory of the thousand clowns. In this version of events, U.S.-Iranian relations and the fate of the hostages were in the hands of goofballs who bumbled their way in and out of crises. Once again, the facts do not support this theory. Those who dealt with the hostage matter were almost all persons of intelligence, judgment, experience, and humanity. There is little of either malevolence or ignorance in the pages of Jordan's book.

So what happened? Why did the collective wisdom and moral judgment of

Vance, Christopher, Carter, Brown, et al., bring us the hostage fiasco? Although Jordan's book does not provide a definitive answer, it reveals one obvious weakness in the administration: the key American actors in the hostage drama, including Jordan himself, were persons who knew nothing about Iran, its history, its rich culture, and its revolution. Nor did they appreciate how the Iranians' sense of grievance against the United States was being used in the continuing political struggle in Teheran. Jordan was working in an intellectual vacuum when he met with Iranian Foreign Minister Sadeq Ghotbzadeh and the Paris intermediaries to devise the ill-fated "scenario." He apparently did not seek the advice of those, either inside or outside the government, who could have explained Ghotbzadeh's motives and the weakness of his position in Teheran. He never realized that his contacts and negotiations with Ghotbzadeh and the intermediaries were a charade, a sideshow. Nor did Jordan understand that Ghotbzadeh had no power with which to resolve the crisis and that his efforts represented merely an attempt to strengthen his domestic political position.

Some reviewers have criticized this book for the failings of the U.S. administration. But the book itself is a very readable account of one participant's perspectives and efforts. It is not the book that should be criticized, but the lack of a foundation upon which an effective U.S. response could have been built. —JOHN LIMBERT

A Disappointing War

THE THIRD WORLD WAR: *The Untold Story*. By Sir John Hackett. MacMillan, 1982. \$15.75.

This second book by Hackett and his crew of informed, retired NATO experts (plus one Russian escapee) is somewhat of a disappointment. Hackett's first book was a tour de force and more than three million copies have been sold. It dealt with the very plausible scenario of a Soviet conventional attack in Europe with limited objectives. The attack eventually fails and the Soviet republics rebel and break up while the troops of Poland and East Germany lay down their arms. Thus, to judge by the title, Hackett's second book cannot be anything but an elaboration on the first, and unfortunately, that is what it is. The same scenario is played out, the good guys win—barely—and a new world order evolves. *The Untold Story* does update events since 1979, when the first book was published. Reagan is in the White House and Iran is no longer a sturdy ally of the

West. In addition, *The Untold Story* provides some interesting new material on the political atmosphere in Europe and the U.S.S.R. during and after the war and considerable detail on the war at sea, which was almost ignored in the first book.

Despite such additional material and the fact that this sequel is as well written as its predecessor, the reader comes away disappointed. Hackett, et al., seem to have succumbed to the same siren call to exploit a successful formula that has debauched so many best-selling authors. In large measure they have failed, as did those tempted into producing *Jaws II* and *Rocky III*. It is indeed regrettable that Hackett did not seek to expand on his earlier message of warning to NATO. He might have written a book which would have provided some real guidance to the alliance on specific needs in the areas of weapons systems, training, and tactics. While such a book would obviously not sell three million copies, it would have been of much greater value to the intended audience. Let us hope that Hackett will not be tempted to write *World War III, Part III*.

—MICHAEL F. SPEERS

Libya's Leader

LIBYAN SANDSTORM: *The Complete Account of Qaddafi's Revolution*. By John K. Cooley. Holt, Reinhart and Winston, 1982. \$16.50.

This book is an account of the political and military activism of Colonel Muammar Qaddafi, who led a successful coup against the Libyan monarchy on September 1, 1969, and ever since has been giving fits to chanceries all over the world. In sometimes tedious detail, John Cooley recounts much of what has made Qaddafi an international media event: his involvement in terrorism, his quarrels with his African and Arab neighbors, his fruitless quest for Arab political unity, his confrontations with the United States, and his relationship with the Soviet Union—a relationship that has given his thinly populated country a military clout a small NATO member might envy.

Cooley also covers Qaddafi's skill in forcing world oil prices higher and his attempts to transform Libya in accordance with his "Third Universal Theory," which he offers as the solution to the problems of the world. And he describes the U.S. attempts to establish a constructive relationship with Qaddafi, including, according to Cooley, alerting the colonel once and probably twice to plots against him. But the U.S. efforts to improve relations failed, probably because Qaddafi early on identi-

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fied the United States with Israel, which he is committed to destroy.

Cooley sees Qaddafi now as the odd man out in the Arab world he once hoped to lead. He also portrays the colonel as increasingly isolated from a Libyan population that resents his tight rein on their lives. Intense, driven by personal furies, and sustained by a strong faith in his self-imposed Arab and Islamic mission, Qaddafi, despite his failures at home and abroad, remains a significant force for international instability, a loose cannon. John Cooley has provided a useful guide to the man's activities. Unfortunately,

though, it is marred by errors of fact, including a real howler on its dust jacket—the identification of King Idris's prime minister, Mustafa ben Halim, as an official in Qaddafi's regime. —JAMES J. BLAKE

Ceasing Aid

THE DESTRUCTION OF A CONTINENT: *Africa and International Aid*. By Karl Borgin and Kathleen Corbett. Harcourt Brace Jovanovich, 1982. \$14.95.

The thesis of this book is that Africa should be left alone by international agen-

cies and donors, and allowed to develop "at its own pace" because all the development assistance programs carried out in the past twenty years have failed. The authors, itinerant academics who claim an extensive knowledge of the continent (both have worked in Kenya and South Africa and visited other countries), offer particularly bitter judgments about the United Nations and its member agencies. Their scathing criticism of the U.N. bureaucracy centers on the role of professional development "experts" in the numerous international conferences that have produced resolutions and rhetoric, but little concrete action. Borgin and Corbett view the concept of a New International Economic Order as unjustified interference with the existing distribution of resources and wealth among countries. Far from needing special attention, they argue that Africa would be much better off if official development assistance were to cease. Its net effect, they insist, has been to accelerate all of the continent's well-documented problems: population growth, rural-urban migration, declining agricultural productivity, and food scarcity.

Borgin and Corbett have not broken new ground in attacking the behavior and motives of the "development set"; nor is all of their criticism unfounded. Surprisingly, though, they portray the U.N. system as a powerful conspiracy rather than as an ineffectual and chronically underfunded set of agencies riddled with political conflict and national jealousies. They take the rhetoric and the capacity of the U.N. far more seriously than most other observers, who would instead fault the system for its visible weaknesses.

Far more surprising, however, is the authors' openly stated preference for the pre-independence status quo, and their citation of the Kenyan settler Lord Delamere, the British administrator Frederick Lugard, and similar figures as appropriate role models for those who would like to promote modern African development. Despite frequent declarations that they are taking the "African point of view" and that they have no political ax to grind, Borgin and Corbett betray an ignorance of twentieth century African history and of the colonial roots of social and economic transformations when they maintain, "Africans were left to themselves, and they developed according to their ability and desire for progress." However disappointing the results of development aid may be, their argument is flawed and their prescription of benign neglect is patronizing, if not openly hostile, toward the aspirations of contemporary Africans.

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The Pact Forces

THE WARSAW PACT: Arms, Doctrine, and Strategy. By William J. Lewis. McGraw-Hill Book Company, 1982. \$29.95.

If you've ever drooled over a copy of *Jane's Fighting Ships*, you'll love this book, which is edited by the co-author of *The Warsaw Pact Armies*.

The Warsaw Pact is a comprehensive survey of unclassified data on all the pact forces—organization, logistics, order of battle, and equipment. In a handy size for bookshelf or desktop, the format is similar to the *Jane's* series of reference works. But Lewis goes a step further. In addition to the excellent photos and color drawings of uniforms and equipment, with some recognition guides, he has included a survey of Soviet and Warsaw Pact military doctrine, written in terms that the civilian can grasp.

This book does an excellent job of pulling together all the information about the Warsaw Pact forces that is now made available to U.S. armed forces personnel in less convenient form: posters, charts, etc. Its style is highly readable—light on bureaucracy, and not at all pedantic. The photo reproductions are excellent, as is the artwork showing uniforms, ranks, and insignia. The intelligence indicators discussed in each section on tactical maneuver will be of particular interest to the military professional or the student of Soviet military affairs.

The price tag on this one is a bit forbidding, but most of the information will remain valid for a long time. So, for the person with a professional or personal interest in the Warsaw Pact, its doctrine and forces, this is a worthwhile investment.

—CHARLES RAY

McCarthy's Victims

THE AMERICAN INQUISITION. By Stanley I. Kutler. Hill and Wang, 1982. \$16.50.

For the present generation, the hysteria generated by McCarthyism must appear incomprehensible. Today, procedural safeguards, an aggressive anti-establishment corps of younger journalists, and the tendency of aggrieved parties (even winners of Senator Proxmire's "Golden Fleece" award) to sue at the drop of a hat, would seem to make any repetition of the witch-hunts of the 1950s impossible.

Nevertheless, since eternal vigilance is the price of safety, Kutler's history of official inquisitions during the cold war should be mandatory reading in the Department of Justice and the legal adviser's

office in State. In a concise, well-written volume, he describes in detail the case histories of seven victims of U.S. government harassment, including Tokyo Rose, Ezra Pound, and Owen Lattimore. Only one of the victims—Beatrice Braude, the most pathetic—was a government employee; the rest were private citizens, or perhaps noncitizens, as in the case of Tokyo Rose. An eighth chapter is devoted to the extraordinary bureaucratic tyranny exercised for a quarter of a century by two officious women in charge of the Passport Office, Ruth Shipley and Frances Knight—an era happily behind us now that the Supreme

Court has established the citizen's right to travel.

Perhaps the most astonishing feature of Kutler's book is the passivity of the victims (except for Lattimore) and the obsequiousness of State Department officials not only toward obvious scoundrels of the McCarthy-McCarran stripe, but toward contemptible lackeys like Roy M. Cohn and R. W. Scott McLeod. Small wonder that by the end the public had adopted the attitude of a "plague on both your houses" toward the State Department of the time and the witchhunters.

—CHARLES MAECHLING JR.

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BOOK ESSAY

The Meaning of Diplomacy

DIPLOMACY. By Adam Watson. McGraw Hill, 1982. \$19.95.

Diplomacy, says Adam Watson, is dialogue. So it is. Harold Nicolson and American encyclopedists say it is negotiation. So it is. American practitioners have maintained over the years that diplomacy is representation, negotiation, and reporting. So it is. It is all these things and one thing more, of which everything else is derivative: It is international politics.

An erudite and civilized British diplomat, who capped thirty years in his country's diplomatic service as ambassador to Cuba, Adam Watson in recent years has been teaching diplomacy to overflowing classes at the University of Virginia. That, like diplomacy, is a civilized contribution to humanity. The view of diplomacy he expounds to students and in this book is a long one, glimpsed from the mountaintop of history. It is this perspective that suggests to him the persistent, underlying thread of dialogue in diplomacy.

Of course, this is a thread that also runs through national politics, which is itself a process of dialogue. But how far does this move us toward a comprehension of what actually occurs—the strategies, tactics, techniques, and personal qualities and skills, not to mention processes and institutions, all of which constitute the dynamics of politics? Does dialogue alone explain diplomacy's successes and failures and suggest what must be done to improve its effectiveness? If one might borrow an analogy of sorts from athletics, coaching a team might be described as dialogue, but teams would not get far on dialogue alone. Coaches must give thought to strategies and tactics on the playing field and the perfection of techniques and skills through persistent practice, paying attention all the while to those nitty-gritty things that the Bear Bryants insist make the difference between victories and defeats. This is just as true of politics. And if it is true of politics it is true of diplomacy, for diplomacy is politics. This is not to contradict Adam Watson's thesis but to suggest additional elements in diplomacy apart from dialogue.

In fact, Watson deftly weaves into his concept of dialogue the strands of negotiation (which is a form of dialogue, of course), pressures short of force (which are not), intelligence gathering (which sometimes is, sometimes is not), adjustment of differences and conflict resolution, and the relationship of diplomacy to force. What he does not weave into it, any more than Harold Nicolson and other writers, is the thread of political maneuver.

If diplomacy is international politics, this helps to clarify a point that Adam Watson leaves obscure. If, as he says, diplomacy, being dialogue, is a civilized and civilizing process, what are we to make of the uncivilized and decivilizing conduct of some governments in their foreign relations? Are we to say this is not diplomacy? Are these governments placing themselves beyond the diplomatic pale? We have no such dilemma if we recognize diplomacy as a political process, for boorish or barbaric behavior simply constitutes some governments' politics. A totalitarian regime based on an ideology of repression naturally treats, or at least attempts to treat, other peoples and their governments the same way, making its embassies and consular posts agencies of subversion, intimidation, and espionage on a wide and destabilizing scale, and sometimes even of terrorism and assassination. Its diplomats step on other people's feet at receptions to convey their scorn, bang their shoes at a U.N. meeting, and seek to convert the discussion and negotiation process into a vehicle for their intimidating tirades. Civilized people may not like to call this distasteful behavior diplomacy and it is certainly neither civilized nor civilizing, but is it not diplomacy of a sort?

Watson does not deal with the era of Byzantium in his historical review and the difficulties it poses for his thesis. He thereby avoids, except for the issue of human rights, the problems that totalitarian and authoritarian regimes present to diplomacy. Perhaps he passes by the Byzantine era because it is not easy to detect dialogue in the midst of so much fighting, intrigue, and assassination. But dialogue was there nonetheless. When, for example, Theodosius I, through a combination of military might and diplomacy, won a victory over the Visigoths and settled them on land as a means of pacification, he was certainly combining dialogue with other tactical resources.

But despite this shortcoming, Watson reflects wisely on many aspects of diplomacy:

- the aims and policies of states and how renunciation of the use of force would come down heavily on the side of the status quo;

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- the relationship of diplomacy to international law and the quest for justice, including the problems posed to diplomacy by the issue of human rights;

- the relationship of diplomacy to power, deceit, persuasion, and appeasement, and therefore to the balance of power, ideologies, and alliances;

- the European diplomatic society and other diplomatic systems over the centuries (except the Byzantine) and the relative swiftness of the military in responding to technological change when compared with the diplomats, to the injury of the diplomatic cohesion of Europe;

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- contemporary criticisms of diplomacy and proposals of global federalism to replace what some people view as a wholly inadequate system of nation states;

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Foreign Service Journal, March 1973:
"[The 1971 Nixon visit to China] could have happened 25 years earlier, sparing us and Asia immeasurable, and to some degree irreparable, harm, if American policy had been guided by the information and recommendations of the staff of the Chungking embassy. . . .

"For having been right, many of them were persecuted, dismissed, or slowed or blocked in their careers, with whatever damage to them personally outweighed by the damage done to the Foreign Service of the United States. No spectacle, Macaulay said, was so ridiculous as the British public in one of its periodic fits of morality—and none, one might add, so mean as the American public in one of its periodic witchhunts. Your colleagues and predecessors were hounded because able and honest performance of their profession collided with the hysterics of the cold war manipulated by a man so absolutely without principles as to be abnormal."

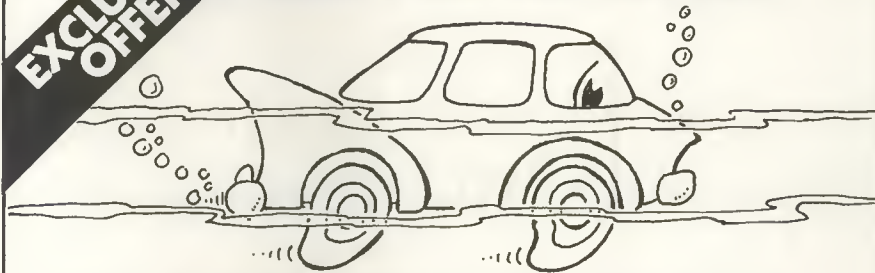
—BARBARA TUCHMAN

Foreign Service Journal, March 1958:
"George V. Allen, recently appointed director of USIA, sketched the need in our changing world for a government information program overseas. It is the ambassador's opinion that because of the very nature of the work, the USIA officer's contacts with peoples in foreign countries are wider than those of any other government official, and it is quite possible in the new world we live in that USIA officers can become the outstanding body of American officials overseas." —GWEN BARROWS

Foreign Service Journal, March 1933:
"Too many costs are in the nature of fixed charges, which no president can reduce unless he has power not merely to 'reorganize' the government but to dictate its expenditures. . . . The largest item is \$1.137 billion for principal and interest on the national debt. No amount of 'reorganization' can cut a dollar from this figure. The conclusion is plain. Hope of really large economies does not lie in ingenious plans to tinker with the machinery of administration but in courageous reduction of direct costs where they are heaviest." —New York Times EDITORIAL

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Diplomat into Bureaucrat

Modern Technology and the Politics of Policymaking Have Made FSOs Act as Bureaucrats, Not Diplomats

By ROY M. MELBOURNE

The rapidly changing environment in which this nation conducts its foreign affairs, a world of growing complexity accompanied by an information and communications explosion, marks the American diplomat as an endangered species. A number of factors have contributed to this change in climate. Washington is becoming more important as a result of merging domestic and foreign interests, bringing on a decline of the Foreign Service's influence from the field. Satellite communications can allow world leaders to exchange views at a moment's notice. Other information sources are competing with reporting from overseas posts. Competition between executive agencies has resulted in the slicing off of functions previously performed by the State Department. And presidents are relying increasingly on special emissaries rather than the career Service.

What role, therefore, will the new professional, who used to be called a diplomat, play in international relations? Today, overseas negotiators often take their instructions from committees at home, whose decisions cannot be easily changed. Special emissaries have ignored the embassies in the countries to which they have been sent. Recall the back-channel method Henry Kissinger used on SALT to bypass both the regular negotiator and

the ambassador in Moscow. Important decisions, even international negotiations, have been shaped by the media, particularly television. Recall the Walter Cronkite interview with Anwar Sadat presaging his trip to Jerusalem.

Compare State's position prior to World War II with that of the present. Before the United States rose to the status of a superpower, the president and a few advisers and the department were the only significant actors in foreign affairs. State handled the foreign operating arms of the Agriculture and Commerce departments. Congress and the public, apart from the dispute over involvement in the war, were content to follow.

Rise & Fall

Next came the rise of the armed services and, after the war, the bureaucratic flood that accompanied American global involvement. Specialized functions began to arise in foreign and—newer label—national security affairs. State and the emergent information and aid agencies worked to meet expanding needs as others claimed parts of their territory.

At the same time, the Foreign Service was not popular with government budgeteers and the Civil Service Commission, perhaps because of the elitist label that came in part from the stringent entrance requirements and competitive promotion system. The new era offered an opportunity to clip the Service's wings. What was then called the Bureau of the Budget and the Civil

Service Commission opposed the Foreign Service Act of 1946. President Harry S. Truman, it is said, lent his support to the act only reluctantly.

The erosion of powers and prestige continued as secretaries of state and their senior deputies wrestled with postwar issues. By the time of the Nixon administration there was a legal distinction between labor and management in the federal government. While the military, the FBI, and the CIA were excluded from collective bargaining, the Foreign Service was not. In time, labor-management issues became a significant part of Foreign Service life.

A contemporary definition of a diplomat is difficult. The secretary of state heads a professional legion called diplomats, it is true. The secretary, however, is but a part of a National Security Council that has representatives from the Defense Department, the Joint Chiefs, the CIA, and the White House as well. USIA and AID contribute to the conduct of foreign affairs, as do the Treasury Department, the somewhat autonomous United Nations ambassador, and the special trade representative. In the White House today, none of the top officials save the vice president has foreign affairs experience, but they do have an impact on foreign policy.

As the number of other-agency and White House players grows, State is obliged to recognize its place among various independent participants and the consequent need for allies from the other agencies when particular issues

Roy M. Melbourne served 35 years in the Foreign Service. Now retired, he lectures and writes on national security and foreign policy issues.

call for cooperation. Thus, today, at every level of Foreign Service operations, the indispensable skill is to understand the government bureaucracy and know how to be effective within it. It is now often more valuable to be a trained bureaucrat than to hold the skills of the traditional diplomat.

In State, substantive action, recommendation, and evaluation are the functional tasks where the disappearing professional diplomat may still be seen. But here again there is a mix of political appointees, Civil Service employees, as well as Foreign Service personnel. Specialists may come for limited periods from outside, many never having served officially abroad. Despite the old program to integrate State's Civil Service professionals into the Foreign Service, nearly a fifth of senior staff positions in the department are held by Civil Service employees.

State's mandate is to coordinate foreign operations, but the other agencies often have the resources. Independent by statute, they can balk at direction, and do. At every level diverse interests are heard. Inter-agency give and take means the professional diplomat must once again play the bureaucrat to get ahead in the game. Though foreign affairs expertise is still important, it simply is not enough to be effective. As an example, bureaucratic proficiency has brought advancement to the career-minister rank of some individuals who never had an overseas assignment.

Are diplomatic functions clearer in embassies? Many missions have a marked minority of true State staff, some, such as London, of fewer than twenty percent. After more than forty years, commercial and agricultural matters are now run by those departments' independent attachés. The CIA and military, with their own codes, can give State colleagues just the information they choose.

Overseas ambassadors can be selected—have been selected—without foreign affairs backgrounds. Like the secretary, they can fill traditional functions of diplomacy. Yet restricted jurisdictions, and the diverse information sources that often supersede embassy reporting, can short-circuit them. Important negotiations tend to be handled by special emissaries who

are often neophytes. Because of the growing number of political appointees serving as chiefs of mission, the ambassador's deputy, usually a Foreign Service careerist, may be selected not for policy or country or diplomatic expertise but because of bureaucratic skills. In the political and economic sections, as in the State bureaus, a small core of professionals conducts evaluation, reporting, and recommendation. Some have country and language competence but mixed with them are independent-agency officials without diplomatic training doing comparable work.

Top to Bottom

A network television program that focused on the embassy in Bangkok showed how pervasive this trend has become in overseas missions. The show's vignettes and commentary gave the clear impression of an embassy bureaucratized from top to bottom. One visa officer confessed to putting in time until her return to Washington. She represents a trend: sadly, officers often reason that, despite Washington's bureaucracy, they can frequently have more interesting or influential work in the capital. This feeling comes from the perception that much overseas work goes for naught. Washington often ignores field reports. L. Bruce Laingen, chargé d'affaires in Teheran, warned against admitting the Shah to the United States for medical treatment. Almost everyone reading this has a few favorite examples of similar incidents.

The 1980 Foreign Service Act has made the parallel between the Foreign Service and the Civil Service nearly complete. The Senior Executive Service and the Senior Foreign Service are parallel systems with comparable classifications, and there may be potential for limited interchanges among their personnel. The value in maintaining a completely distinct SFS can also be questioned in light of the phenomenon of the so-called senior officer glut. At one time last year, 45 unassigned officers were "walking the corridors," as one phrased it, being no more than "strolling players between assignments," in the words of another. This is in part due to a narrowing of the

career pyramid exacerbated by record levels of political ambassadors and by "stretch" assignments of mid-level officers. AFSA itself has complained of its frustrations in trying to improve employee benefits and career prospects in such a system, blaming in part the cumbersome necessity of five-agency, two-union negotiations, which can be stymied by any of the seven parties.

The new Foreign Service is concerned with specialized assignments and the development of functional skills. But the Civil Service can justifiably argue that it too has a gamut of specialists. Management training is a need of both services and can be interchangeable between them. In language and area studies various government entities currently need expertise or can seed the Foreign Service with their expertise.

It is merely logical then that specialists within the Foreign Service gradually be phased into the larger Civil Service, especially as specialists familiar with foreign matters become more common in other agencies. The supergrades—SES and SFS—could also be merged. These mergers would allow shorter and more frequent overseas assignments as field and home office personnel become more closely integrated. The Foreign and Civil services would become interchangeable. This could be encouraged as a way of coping with transfer and assignment problems and as a means of giving all officials broader experience.

Some may argue that area studies and language abilities—grassroots expertise—are surely to a diplomat's advantage. Their importance may vary, however, depending on the intensity and quality of the bilateral relationship. Apart from the Soviet Union, our allies and other industrialized countries loom largest in Washington's concerns. Yet our relations with them change only slowly and many of their officials are fluent in English. When dealing with the countries of the developing world there may be more call for diplomatic expertise, but it varies tremendously depending on a country's importance and Washington's attention span: Saudi Arabia and El Salvador, yes; Senegal and Sierra Leone, no.

(Continued on page 32.)



A Faltering Economy

In the past Japan has overcome economic slumps by exporting. But today those exports face growing protectionist barriers while Japan's cautious population refuses to supply the demand needed to end the current doldrums.

By ALAN MURRAY

Legend has it that the sun goddess, Amaterasu, and her heavenly cronies created the isles of Japan and populated them with a superior people. Perhaps. But whatever their heritage, the Japanese have proved themselves superior over the last three decades in managing their economic system. With no Keynes, Schumpeter, or Marx to call their own, they nevertheless have demonstrated an ability to shape and direct their economy with a virtuosity envied by all other countries. It is not merely rapid growth that has distinguished them. Such an energetic people, pushed backwards by years of war, would have grown rapidly under almost any circumstances once released from the economic stranglehold of a military regime. But the Japanese economy continued to soar long after it had caught up with its previous economic growth rate. And it did so largely at the active urging of government.

Japanese bureaucrats have proven that clever government can indeed help outperform the marketplace. Ignoring the laws of comparative advantage, they have poured resources into industries that have offered the highest rates of return per worker, and thus have accelerated Japan's growth. At the same time, they have shielded their workers from unemployment by allowing and even encouraging inefficiencies in retail distribution and services. These sectors have acted as enormous sponges to soak up unemployment, while the fruits of the highly productive manufacturing sector have been shared by all via the tax sys-

Alan Murray is a reporter with Congressional Quarterly. During 1981-82 he worked in Japan as a reporter for Nihon Keizai Shimbun (Japan Economic Journal).

tem. The strategy has its costs: retail prices, for instance, are abnormally high. But those are costs that most western nations, wracked with high unemployment, would be happy to pay.

Japan's economic managers have also proven themselves superior in responding to the inflationary crises of the 1970s. Although totally dependent on foreign oil, Japan managed—after a short spasm of inflation—to absorb the ten-fold increase in petroleum prices with more speed and grace than any of its trading partners. And again, it did so without hampering the progress of the industrial base or significantly undermining employment.

Past Not Prologue

That, however, is history. The Japanese now face a pair of economic challenges for which they seem especially ill-prepared. Like other industrialized nations, Japan is currently suffering a prolonged slump. By U.S. standards, its three-percent increase in gross national product may look like galloping growth. But compared with its previous performance, the economy is not at all healthy, and prospects for improvement in the coming year are dim. Private forecasts in Japan anticipate the rate of GNP growth dipping as low as 1.8 percent for fiscal year 1983.

To escape from these lingering doldrums, Japan's economic managers must accomplish two extremely difficult tasks: they must generate more demand among cautious consumers in their own country, and they must increase or at least maintain exports to an outside world where resentment of Japanese products is rapidly increasing. The first is a challenge for economic management, the second is largely a problem of diplomacy.

It is often said that exports drive



Japan's economy, but that by itself is misleading. Exports are of less importance in Japanese economic growth than in most European nations. It is investment that has really been the engine of Japan's expansion. Nevertheless, exports have played a critical role in the Japanese business cycle during the last two and a half decades. They have provided the initial spark, the starter for Japanese recoveries. When mired in recession, Japanese companies have focused their gaze overseas, seeking new markets that would enable them to maintain production and employment. Their efforts have usually met with remarkable success, sparking new business confidence and new waves of aggressive investment. That investment in turn has increased domestic income, thereby encouraging domestic demand and triggering further investment. In short order, the train has left the station and is running at full speed.

Now, however, the starter is broken: the world is refusing to buy. World recession is the major cause for Japan's export slump, but the recession is also fostering more permanent barriers to Japanese exports. Protectionism is rampant. Most of Japan's exports are already subject to some sort of restraint, either self-imposed or otherwise, and the barriers are growing higher every day. Moreover, conservative Japanese buyers refuse to take over exports' traditional role and provide the necessary ignition spark. Domestic demand has improved somewhat, but not enough. And the Japanese government, believing its hands are tied by huge budget deficits, refuses to stimulate demand. The result is continued recession, with no clear way out.

Superficial Similarity

On a superficial level, Japan's economic problems might seem similar to those of the United States. In both countries, recession is linked with historically unprecedented budget imbalances. The U.S. deficit threatens to reach six percent of GNP in 1983, the Japanese deficit roughly five percent of GNP. But considered alone, those deficit figures are of little importance. More important is the ability to finance the deficit and, in that regard,

the United States and Japan represent opposite extremes. Japanese households save as much as 20 percent of their income, while the U.S. savings rate is less than half that amount. Borrowing by the U.S. government may use as much as 80 percent of all household savings. That leaves little for private borrowing and investing, and forces real interest rates up to painfully high levels. An increase in government spending, therefore, is likely to choke off private investment and do little good—perhaps even harm—to the economy. In Japan, however, borrowing by the government uses less than half of available household savings. So there is no crowding out of private investment. In earlier days, when Japan's GNP was growing at double-digit rates, the huge rate of savings was needed to finance high levels of investment. But now that the rapid growth days have ended, those savings are idle.

As Keynes might have argued, it is not only tolerable that government make use of the idle savings, it is imperative. If the savings are not somehow put to use, the Japanese economy will remain well below its capacity. But there are few Keynesians in Japan's Ministry of Finance, which keeps a tight grip on the nation's purse strings. Those bureaucrats, the most powerful in the Japanese government, despise red ink. It was only under severe political and economic pressure that they abandoned their balanced-budget policy in the early and mid-1970s, and they have been trying to exorcise the deficit devil ever since.

The former prime minister, Zenko Suzuki, acquiesced completely to the Finance Ministry attitude. He repeatedly stated his willingness to "stake my political life" on a reform package designed to eliminate deficit-covering bonds by 1984. Yasuhiro Nakasone, who at that time was Suzuki's administrative management director, raised the stakes even higher. "If the reform program is realized," Nakasone said, "it will be to the credit of my family, and I think my ancestors will be happy, even if I were to die in the attempt."

The reform program was not realized, due largely to lack of cooperation

from a depressed world economy. But Nakasone is still alive and, indeed, is now prime minister. And while necessity has forced him to abandon the goal of balancing the budget by 1984, his distaste for red ink has not changed. The fiscal 1983 budget, revealed in January, is the most stringent in three decades. The general account budget is only 1.4 percent larger than the original 1982 budget, and a large portion of that must go to reimburse funds appropriated in fiscal 1982. After allowing for that reimbursement, the budget represents a 3.1-percent decrease. Only three budget categories—defense, economic aid to developing countries, and energy—were allowed any significant expansion. Clearly, nothing in the budget package will mobilize domestic demand. And nothing in Prime Minister Nakasone's official statements indicates the government is willing to consider a more creative fiscal policy.

Finding Demand

Haruo Mayekawa, governor of the Bank of Japan, notes that Japan's talents are better suited for dealing with inflation than deflation. Monetary policy is the government's strong suit, but in the current environment, monetary policy is of little use. Lower interest rates are not what is needed to spur Japanese businesses to increase their production. Rather, those businesses need to be assured of demand for their products. And the government continues to refuse to play a role in creating that demand.

Under these circumstances, Japan must look abroad for economic recovery. But, perhaps no nation in history has had such ambivalent relations with the rest of the world as has Japan. Its love-hate affair with China dates back thousands of years. Christian missionaries of the 16th century wrote that no people were as receptive to their efforts as the Japanese, and yet surely no nation was as vehement in its reaction to those missionaries. The Tokugawa shoguns became so concerned over the meager efforts of a handful of Christians that they closed the country to all intercourse with the outside world for two and a half centuries. Then in 1853 U.S. Commodore Matthew Perry

sailed into Tokyo Bay and helped spark a social revolution that soon had thousands of Japanese traveling the oceans, eager to emulate the ways of the West. The goal of the long-isolated nation became acceptance into the club of advanced countries.

Today that remains a remarkably elusive goal. By all objective measures—standards of living, intellectual achievement, democracy—Japan unquestionably ranks among the best in the club. And yet it faces the possibility of being blackballed, of being isolated by the world community. Anger toward Japan is at a postwar high. Congressmen make references to the bombing of Pearl Harbor. Southeast Asian governments complain that Japanese economic imperialism has replaced Japanese military imperialism; they fear that, under urgings from the United States, Japanese military might may well be on the rise again. Relations between Western Europe and Japan have deteriorated so far that the Europeans have filed a wholesale complaint with the General Agreement on Tariffs and Trade, protesting Japanese reluctance to buy European products.

The result of this sentiment has been a wave of protectionism, directed largely at Japanese products. Japan has been forced to restrain most of the products it exports to Europe. In developing countries it faces an ever-expanding variety of trade barriers and local-content laws. And in the world's largest market, the United States, its prospects are dwindling rapidly.

The "voluntary" agreement to limit automobile exports will be extended for a year, and other measures are in the works. The most menacing is a petition by Houdaille Industries, a Florida-based machine-tool company, asking that the investment tax credit be denied to U.S. companies that buy Japanese computerized machine tools. If approved, the petition's effort would be similar to putting a 10- to 15-percent tariff on Japanese products. The complaint does not even attempt to prove those particular products were dumped but simply cites the whole range of industrial policies used to promote the Japanese machine-tool industry. Those industrial policies, Hou-

daille argues, are distortions of trade. The White House trade office helped research the petition, and the administration is giving it very serious consideration. The Senate also passed a resolution favoring it.

If Houdaille's request is granted, it will undoubtedly open the flood gates to similar requests. Machine tools is just one of an array of Japanese industries that have benefitted from that country's industrial policy. If Houdaille succeeds, other industries—semiconductors, fiber optics, computers, robotics, new ceramic products, to name a few—will be justified in requesting similar relief.

What can Japan do to keep from being shut out of its markets around the world? Import more, say its trading partners. They all complain of subtle barriers to trade. But many of those barriers are woven deep into the fabric of modern Japanese society. The organization of industry into groups centered around a major bank, for instance, is fundamental to Japan's economic structure. But it also makes entry into a major product market extremely difficult for companies outside of those groups, be they foreign or domestic.

Paying for Imports

Even if the Japanese could easily dismantle the barriers, that would not end the imbalance in trade of manufactured goods that upsets Americans and Europeans. Japan must export manufactured goods to pay for the huge amounts of food, oil, and raw materials which it must import.

The new prime minister hopes to improve relations with the world by personal charisma. He has already traveled to Korea, hoping to patch up century-old problems there. And he made a favorable impression in the United States, where his seemingly direct and candid manner was a refreshing change from the inscrutability of his predecessor.

But personal charisma alone is unlikely to provide the key that opens the doors of the world's markets. Japan must take action that will convince the world of its willingness to cooperate, and that will reduce its trading surpluses with key international partners.

Even then, it may also have to accept the fact that it cannot export as freely as it has in the past.

The twin challenges facing Japan—promoting domestic demand and maintaining export markets—are in fact closely related. Solving the first problem would go far toward easing the second. A government-led expansion would draw imports into Japan. That might ease the surpluses with the United States and Europe, and deflect some of their criticisms. A switch to a more expansive fiscal policy would also enable Japan's monetary officials to tighten up a bit on the money supply. That would bring real interest rates—now lower in Japan than in the United States—into closer international alignment. Currently, relatively high U.S. rates have increased the demand for dollars and decreased the demand for yen. That has caused the yen to weaken and made U.S. products more expensive in the Japanese market. Closer alignment between the two would strengthen the yen, thereby increasing Japanese demand for foreign products and decreasing the demand for Japanese products overseas.

Japan's fiscal conservatism is not wholly without reason. Although the government can easily finance larger deficits now, its financial bureaucrats fear the trends. Deficits are growing larger at the same time that household savings are declining. And the future holds another frightening prospect: Japan's aged population is expected to double over the next three decades. Attempts to insure the livelihood and health of the society's elderly could cause more budget hemorrhaging.

But the problems of today are too serious to be ignored for the sake of potential problems in the future. The United States should encourage Japan to loosen its fiscal policy now, and tighten the reins once a healthy recovery has been put into place. This would do more than any other action to boost the Japanese economy and improve U.S.-Japanese relations. Japan's economic managers have dazzled the world with creative and pragmatic solutions to previous problems. It would be unfortunate now if they allow themselves to be frozen into inaction by fiscal dogma. □



A Military Build-up

In 1982 the Japanese approved a five-year defense procurement plan. The United States might best attain improvements in Japanese military capabilities by cautiously urging the Nakasone government to fulfill the plan's goals.

By LARRY A. NIKSCH

This year marks the fourth in the dialogue between the United States and Japan over future Japanese defense policy. Begun in response to the Soviet invasion of Afghanistan, this dialogue has been dominated by intense U.S. pressure on Japan to build up its Self-Defense Forces (SDF) and accept new military responsibilities. Until last summer, Tokyo sought to preserve the status quo in defense policy while softening criticism from Washington and from advocates of a stronger defense within the Japanese government. Last summer, however, it approved a five-year defense plan designed to modernize the SDF by accelerating procurement of new weaponry. The plan, or Mid-Term Program Estimate, sets defense procurement goals for the 1983-87 period (an earlier five-year plan established targets for 1980-84) and will have an important influence on the pace and scope of Japanese defense efforts. The plan does not totally determine Japanese defense policy for the next five years, but the pace of a defense build-up is unlikely to exceed the plan targets. By dealing with Japan in the context of the plan, the United States may achieve more than it would by pushing for the greater military build-up it wants.

The present is a particularly opportune time for achieving a bilateral consensus in this area, since the recent changes in the Japanese leadership may create more flexibility. Yasuhiro Nakasone's assumption of the office of prime minister last November may

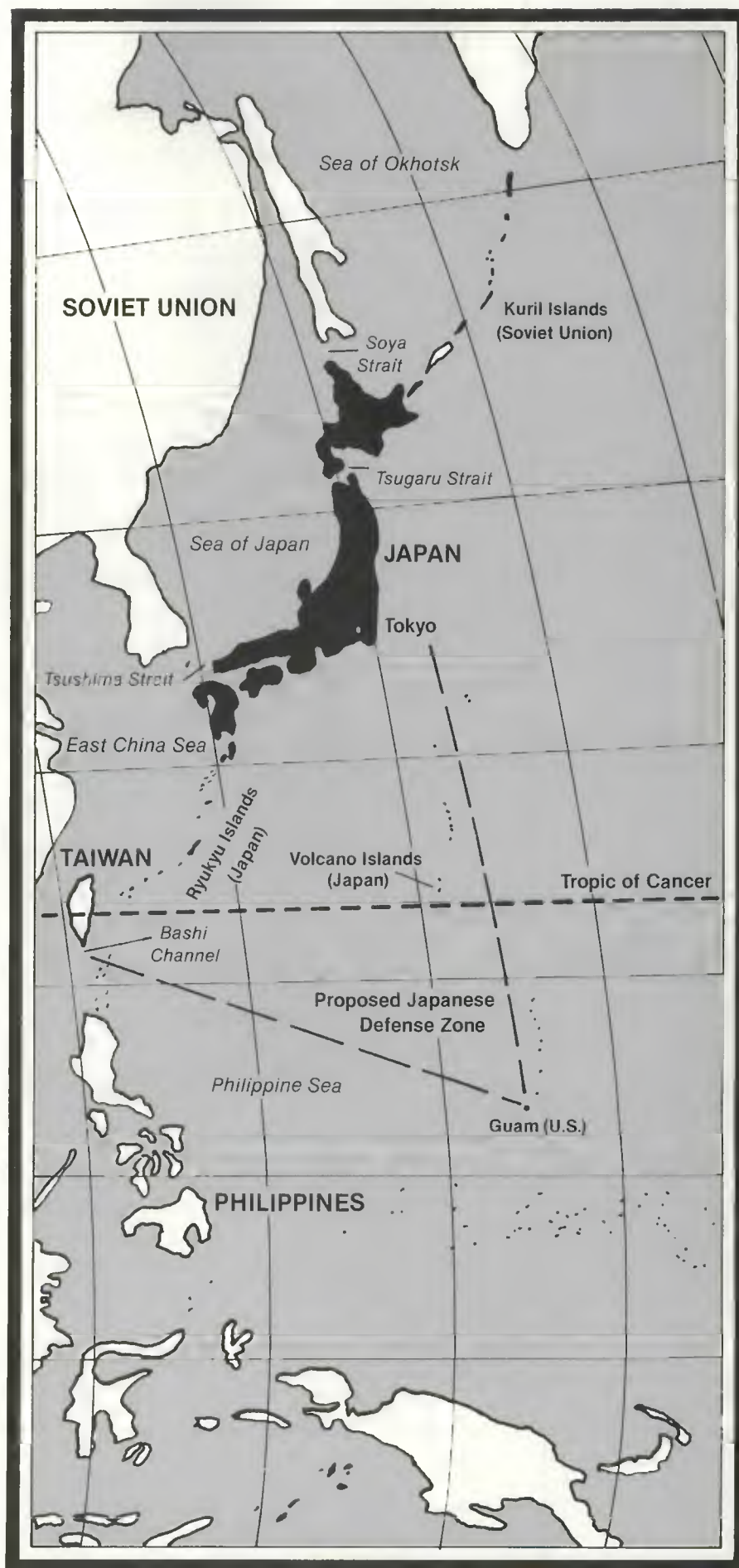
Larry A. Niksch is a specialist in Asian affairs at the Congressional Research Service. The views expressed in this article are those of the author and do not necessarily reflect those of the Congressional Research Service of the Library of Congress.

have a significant impact on the evolution of Japanese defense policy. Nakasone brings into office an inclination to strengthen Japan's military capabilities. As head of the Defense Agency in the early 1970s, he sought to accelerate increases in defense spending and, under his direction, the agency developed the concept of defending sea lanes 1000 miles out from Japanese territory. He since has advocated building up the SDF in response to the growth of Soviet military power in the western Pacific. Nakasone's statements following his selection as prime minister suggest that he still holds these views.

Reagan's Proposals

To date, Reagan administration proposals for a future Japanese defense role have called for a significant military build-up. Developed by the Pentagon during the Carter years, these proposals call on Japan to assume primary responsibility for defending its home islands and a large area of the northwest Pacific covering at least 1000 miles from Japan. This zone, according to Pentagon officials, would encompass the waters between Japan and the Bashi Channel which divides Taiwan and the Philippines, swing east from the Philippines to Guam, and north from Guam toward Japan. U.S. officials have described three missions that would fall to Japanese naval and air forces under this proposal:

- **Sea control:** Japan would develop offensive and defensive capabilities against Soviet submarines, surface ships, and aircraft over a wide ocean area. U.S. officials have stressed the need for having an effective defense against Soviet submarines and Backfire bombers. After March 1981, the Reagan administration steadily increased its emphasis on the mission of sea control. Secretary of Defense Caspar



Weinberger visited Tokyo last March and urged Japanese officials to give it special priority.

- **Strait controls:** Japan would be able to mine and blockade the Tsushima, Tsugaru, and Soya straits connecting the Sea of Japan with the open waters of the Pacific, thus preventing access by Soviet naval vessels from bases in eastern Siberia into the Pacific.

- **Air control:** Japan would establish an air-defense screen that could inflict heavy losses on Soviet tactical fighters and long-range bombers, particularly the Backfire bomber, which the Soviets have started to deploy in eastern Siberia.

American Objectives

The Reagan administration views a Japanese assumption of these responsibilities as a potential component of a war-fighting strategy in which the oil-rich Persian Gulf would be protected by shifting sizable U.S. forces from the Pacific into the Indian Ocean. Defense Department analysts appear to see strengthened Japanese armed forces as helping accomplish two objectives in this strategy: preventing the Soviet Union from establishing military domination over northeast Asia, including Japan itself; and blocking Soviet forces in eastern Siberia from moving south to attack U.S. forces traversing sea and air routes through the southwest Pacific and Southeast Asia into the Indian Ocean.

The administration has suggested that Japan review its force-structure goals in light of changed international conditions. This suggestion has developed into U.S. proposals for a force structure larger than that envisaged in Japanese defense plans. At the Japan-U.S. Security Conference in Hawaii in June 1981, the U.S. delegation outlined a structure that would have Japan build up to 14 squadrons of 350 interceptor aircraft—mainly F-15s—instead of the 10 squadrons of 250 aircraft currently planned. Japan's destroyer force would increase from 60 to 70, and the target for submarines would go up from 16 to 25. The U.S. delegates suggested an anti-submarine aircraft force of 125 modern P-3Cs.

Weinberger told the Japanese last

March that they should attain this approximate force level by 1990. He declared that such a buildup "will require substantial improvements in military capabilities . . . and increases in defense spending substantially greater than the current annual growth rate." U.S. officials who accompanied the secretary told reporters that Japanese defense expenditures would have to rise at least 10 percent annually in real terms, probably at least 15 percent in yen, to achieve this goal.

Since 1976, Japanese defense policy has been governed by a Defense Outline adopted by the government that

"The build-up of front-line weaponry will have little impact on Japanese military strength unless there is a commensurate increase in logistics, particularly ammunition stockpiles, spare parts, and fuel."

year. The outline establishes a basic objective of repelling a "limited and small-scale aggression" against the home islands. It declares that if aggression occurs on a scale with which the SDF could not cope, Japanese forces would resist until U.S. forces came to their aid. The outline describes a force structure that would require increases in weaponry and equipment, but the emphasis would be on improvements in quality through acquisition of new weapons to replace older ones. The outline does not set a target date for attaining the force-structure goals, however, and it does not specify the level of modernization to be achieved.

In approving the outline, the government reaffirmed the policy of keeping defense expenditures under one percent of gross national product. Coupled with the lack of a target date, this meant that the pace of modernization would continue to be as leisurely as it had been under previous plans, in which Japanese defense budgets were under \$10 billion annually, and approximately 50 percent of expenditures went for personnel costs.

By 1982, six years into the outline, the SDF possessed minimal and often obsolete assets. The Maritime Self-Defense Force is built around 33 destroyers and 16 frigates. Japanese experts in and out of government have acknowledged that the MSDF is ill-equipped to deal with Soviet nuclear submarines and attacks from enemy aircraft and surface ships. The mine-laying and blockade assets of the MSDF are also limited. It has only one mine-laying vessel, and most of the mines are obsolete and not ready for immediate use in an emergency. The Air Self-Defense Force has more than 350 combat aircraft, but the 130 F-104 fighters and 100 F-4 fighters are dated, particularly the former. The Defense Agency's annual white papers have described the facilities for defending air bases as a "striking deficiency," citing a lack of modern surface-to-air-missile defenses and outdated radar systems. It is unlikely that the ASDF could control the skies over Japan and adjacent waters in the face of attacks by modern Soviet MIG-27s, MIG-23s, and SU-19s, which have become the backbone of the Soviet attack-fighter force in eastern Siberia. Moreover, the ASDF undoubtedly would have little effectiveness against the Backfire bomber.

All branches of the Self-Defense Forces suffer from shortages of ammunition and spare parts and other logistics problems. The MSDF and ASDF have no significant reserves. The SDF has no system for integrated command and control of ground, air, and sea forces. The prime minister's study group on national security issues estimated in its July 1980 report that only half of the assets of the SDF could be counted as "actual combat power" in an emergency.

The Japanese government respond-

ed to these recognized shortcomings and growing U.S. pressure by developing the second five-year plan. In April 1981, the cabinet-level National Defense Council approved a proposal by the Defense Agency to prepare a Mid-Term Program Estimate for 1983-87 "with the basic aim of accomplishing the goals of the [1976] outline." With this action, the open-ended Defense Outline became less so. The Defense Agency viewed the new plan as a way to bridge the gap between existing defense policy and Reagan administration desires by creating a modern force capable of carrying out some of the missions proposed by the United States.

Procurement Goals

The Defense Agency spent over a year preparing draft proposals, negotiating with the Finance Ministry during the final stage. Defense Agency drafts were whittled down at certain points, usually because of anticipated financial constraints. The plan, as approved by the National Defense Council last July, calls for the expenditure of 4.4 to 4.6 trillion yen (\$17.4 to \$18.2 billion) for front-line equipment during the period. Defense Agency officials expect that military spending will exceed one percent of GNP by fiscal year 1984 if not earlier. The major procurement goals relating to sea and air defense are:

- Air defense: The Air Self-Defense Force will acquire 75 F-15 fighters, bringing the total of F-15s to between 138 and 155, depending on attrition. F-15s will compose 6 of the 10 interceptor squadrons, while approximately 100 F-4s will make up the remaining four. Japan is refurbishing the F-4s to add a ground-attack capability and sophisticated air combat electronic equipment and missiles. It will replace two of the six antiquated Nike J surface-to-air-missile batteries with a modern SAM system, and it will replace the obsolete Badge radar warning system with a new system under development. New air-base defense assets will include 130 new 20mm anti-aircraft guns, mobile radar systems, and aircraft shelters. Japan will have a full squadron of nine E-2C early warning aircraft.

- Naval vessels: The MSDF will procure 11 new destroyers, three frigates, six submarines, six high-speed missile boats, two supply ships, and other assorted craft. Forty existing destroyers and frigates are to be outfitted with U.S.-designed Tartar or Sea Sparrow surface-to-air-missiles. The destroyer/frigate force will total 60.

- Anti-submarine aircraft: Japan is slated to purchase 50 P-3C anti-submarine aircraft, bringing the total to 72. The P-3Cs will be organized into nine squadrons with one older P-2J squadron remaining. Sixty-three anti-submarine helicopters will also be add-

"Since taking office, Prime Minister Nakasone has spoken out frequently on the need to strengthen the SDF to ensure future cooperation with the United States and counter the Soviet military build-up in the western Pacific."

ed, including 20 ship-based helicopters. This will give the maritime force 48 land-based and 43 ship-based helicopters.

What kind of military capabilities would Japan have if it achieves these procurement goals by the late 1980s? Japan would possess a credible though not overwhelming air defense capability for the four home islands and the immediately adjacent waters. The combination of F-15 fighters, E-2C early warning aircraft, and a new ground radar system would constitute significant opposition to Soviet fighters entering Japanese air space, and these assets would make the routes

over Japanese home islands and down the Sea of Japan a more dangerous one for Soviet Backfire bombers seeking to enter the open waters of the Pacific. However, air defenses to the southwest, along the Ryukyu island chain—another potential route for the Backfire is over north China and out through the East China Sea—would be less than effective, if they exist at all. Japanese interceptor strength would not be sufficient to cover this area in addition to the home islands, and Japan appears to have no plans to construct air bases on Okinawa or other islands of the southern Ryukyus. The three U.S. F-15 squadrons on Okinawa would have to provide air defense, although U.S. contingency plans reportedly list these squadrons as subject to deployment in the Indian Ocean under certain circumstances.

The Defense Agency expects that attainment of the plan targets would enhance the SDF's ability to defend sea lanes, although Japanese experts reportedly agree with the U.S. Department of Defense that Japanese force levels would not allow complete coverage of the proposed sea control zone. U.S. and Japanese forces would be vulnerable against the nearly 100 Soviet attack submarines in the Pacific, a force that undoubtedly will grow in the 1980s. On the other hand, Japanese P-3Cs and anti-submarine surface assets would constitute a larger anti-submarine force for this area than the thinly spread Seventh Fleet currently provides.

The Mid-Term Program Estimate gives little priority to acquiring the assets needed to close the straits leading out of the Sea of Japan. The Japanese government has seemed reluctant to press forward in this area, and it appears that Japan will make, at best, limited progress toward a blockade capability.

There is an important caveat to this general assessment. The build-up of front-line weaponry will have little impact on Japanese military strength unless there is a commensurate increase in logistics, particularly ammunition stockpiles, spare parts, and fuel. Japan today has little sustainable combat capacity, and this will not change

(Continued on page 33.)

Post Report:

Average temperatures of 70 below and rules of protocol for three sexes, but Marsport was just another typical Foreign Service post

By DAVID HUTCHISON

"Dear, read again that part in the post report about the climate. I think we're going to be stuck in the holding pattern." Mary Brown peered eagerly out the cabin window at the reddish, dusky land beneath while her husband searched through a mound of magazines and coloring books. Far to the north she saw the edge of the polar cap, the white beginning suddenly and forming a perfect circle where the frost and desert met. Much nearer, to the south, she saw a small green lake and what seemed to be a highway leading to it. Her husband found the report and had just begun to speak when the sound of chimes came from the loudspeaker and red *No Smoking* and *Fasten Seat Belts and Shoulder Straps* signs blinked on.

"Hello, ladies and gentlemen, this is Steward Hopkins speaking. We have arrived on time at our destination, but I'm afraid we've been ordered into a holding pattern because of traffic congestion. . . . On behalf of Captain

David Hutchison is in the consular affairs bureau. He joined the Foreign Service in 1966 and has served in Lima, Paramaribo, Amsterdam, New York, Johannesburg, and Caracas. He has not served in Marsport yet but hopes to be posted there someday soon.

Perez and the entire crew, I'd like to thank you for flying Inter-World. It has been a pleasure having you aboard Flight 726 and we hope you have enjoyed the trip. We look forward to seeing you aboard Inter-World again soon.

"While we're waiting, I'd like to give you some details of our flight. Average speed was 448 kilometers per second; trajectory, modified tangential hyperboloid; average acceleration .96 gees. Local time at Marsport is 23:13 GMT, 17:29 MST.

"If you look out the ports right now you'll see a beautiful view of the capital. Temperature at the terminal is minus 74 degrees celsius, wind 135 kilometers per hour, and as always, clear and dry."

Gary Brown shook his head and muttered. "I hope we don't have to wait long. We circled around Luna City forty-five minutes, remember. You travel a hundred million kilometers at better than four hundred clicks and then have to wait on some puddle-jumpers. The service wasn't so hot either. I think I'll write Inter-World's president. And we better not have to wait as long for the luggage as we did at —"

Monotonous Climate

"Just relax, dear. I know you couldn't sleep after the skew-flip. Come on, what's it say about the climate? I know we're going to have to do a lot more shopping for the children."

"Oh, sure. Sorry, darling. I just had to let off steam. Gosh it'll be good to stretch and feel some real gravity, even though it won't be much." Gary Brown picked up the booklet entitled *Mars Post Report: 2083* and scanned the index.

"Here it is, 'Climate: Mars is a cold, dry planet with remarkably consistent weather which most Earth people find dull and monotonous. Marsport, the

capital and post city, has had only three centimeters of precipitation since records were begun 3797 Martian years ago! Thus, it is sunny every one of the 666 Martian days (equal to 24 hours, 37 minutes) in a Martian year (equal to 686½ earth days). The sun, however, is weak and small at Mars' orbit and gives only faint heat and light. The sky is deep purple, and bright stars can be seen even during the day. Clouds as we know them don't exist on Mars although occasionally a very thin wisp of vapor can be seen directly over the polar caps. Martians find Earth's clouds one of its most interesting and beautiful features. . . .

" 'In the area of the post city wind velocities of 100 to 300 k.p.h. are typical. Despite the wind's high velocity, it does not exert a great "push" since the density of Mars' atmosphere is only about one percent that of Earth's.' "

Gary stopped reading and looked at his wife. "Honey, I was talking to Vincent Matthews about the weather and he said you spend almost all the time at home, or in the express-tube, or the embassy, and practically the only time you even think of the weather is when you go on a field trip or visit a Martian home. Then you have to wear an E-Enviro suit, of course, but all the rest of the time you're under the main dome, where it's 22 degrees and 38 percent humidity. Those post reports are written just to get hardship allowances and to let you know you're not going to a resort."

"Dear, I know you're worried that I won't like it, but just as long as you and the children are happy, I'll be happy, and besides Vera Stephenson said she heard Ambassador Richardson's husband say that she told him the department has its eye on you and that this is a great opportunity. . . . You know how quickly the kids make friends. . . . This is a chance for them

2083



to learn Martian and the Earth school here is supposed to be one of the best. . . . I hope we can make a trip to the polar cap. Sue said it was just beautiful in the fall. It's only an hour and a half away and not expensive. She said she and Sam talked about retiring there."

"Not me!" Mary's husband interjected loudly. "When my thirty years are up I'm going right back to the good ol' Earth."

"That's what you always say when we're making a move, dear. I know it's a lot of work and worry for you to get us all to a new place and get situated in

a new job, but you know how it is when we're on Earth leave and visit your folks and mine. This kind of life gets in your blood. When you're back home it's nice for a little while but everyone there seems so . . . so . . ."

"Provincial?"

"Yes, provincial. And all they can talk about is what is happening on their own continent."

Young William Brown's eyes blinked open and he yawned deeply.

"Daddy, are we there yet?"

"Soon, Billy, soon. Look out the window but don't wake your sister."

"Gosh, Daddy, it looks so funny! All rusty and . . . and gee, no oceans like home."

Billy's mother put her arm around him. "Dear, tell Billy what the post report says about the Martian people. He's going to have some little Martian friends soon."

"Well, it says Martians are very proud of their ancient civilization, which is much, much older than any on Earth, and are a little more formal than most Earth people but very friendly once you get to know them."

"Formal?" asked Billy.

"That means they're more . . . more . . . explain it to him, Mary."

"It just means, Billy, that Martians have a little different way of meeting people and making friends than we do. Of course they're sometimes shy with us. Remember how you and Sarah sometimes felt when you saw non-Earth people at home?"

"Oh, yeah. Well, Sarah and I know they're just different and we aren't going to laugh or stare or anything." Mary and Gary Brown gave each other a small, satisfied smile while their son looked at pictures of a typical Martian family. "They sure are funny looking and wear funny clothes, though."

Trisexual Protocol

Mary began reading. " 'Martians average 110 centimeters in height but are very thin and not as heavily boned or muscled as Earth people. Their skin is hard and dry and ranges in color from "pea" to "spinach" green.' "

"It doesn't make any difference to me what they look like, honey. Skip to that part about protocol."

His wife looked at the index and turned to a different page. " 'Many Martians are eager to show their knowledge of Earth customs and may offer you one of their four hands to shake when being introduced. Their 14 fingers may feel cold and bony, but remember yours feel just as odd to them. After shaking hands it is polite to reciprocate with the Martian equivalent of hand shaking by tapping your head twice on "his" left shoulder, after which "he" will respond by tapping "his" head three times on your right shoulder. (Due to Martians' stature it probably will be necessary to bend for-

ward.) Martians always warmly appreciate gestures of respect for their culture.' "

Mary looked up from the post report. "Gary, entertaining is what worries me, and goodness! Three sexes! Every 'couple' is a trio. Dear me."

"That's on page seven, Mary. Uh, why don't you just read that part to yourself?"

She turned to page seven and read silently. "... Perhaps the most curious aspect of Martian biology is that all life on that planet consists of *three* sexes, all of which are necessary for reproduction. Although educated Martians are acquainted with Earth customs and biology, the less sophisticated may seem uneasy during introductions since in their culture it is highly improper for a biological relationship to exist between only two individuals, or for two individuals of a married trio to appear in public without the third. (See *Martian Courtship Rites, Marital Obligations, and Sexual Taboos in a Transitional Milieu*, Dr. Andrew Janowski. Solar Press, New York, 2068.) It is strongly suggested that all new arrivals become fully acquainted with Embassy Protocol Bulletin No. 2, which covers in detail proper etiquette on Mars. In addition, the embassy's welcoming program includes a lecture on this subject followed by a question and answer period." Mary glanced at her husband and feigned an expression of shock. "Who's going to explain it to the children?"

She turned the page and read aloud the post report's last paragraph. " 'Mars is an important ally of Earth as well as one of its chief trading partners, and an excellent relationship exists between our two planets. The peoples of Mars and Earth have a tradition of friendship dating to 2008, when envoys were first exchanged. Earth people who make a sincere effort to understand Martian culture and biology will have little difficulty making friends and adjusting to the post. Although life on Mars can be boring and some of the amenities of Earth are lacking, many have found their assignment here highly rewarding and challenging.' "

"The thought of that first reception

line scares me, Gary," she said looking at her husband, her eyes wide. "Shaking the fourth hand of each couple—I mean trio—and touching your head to their left shoulder. It sounds so complicated and I feel like I've already forgotten all the Martian I learned. . . . And those problems of entertaining! Martians don't eat the things we do and we certainly don't like what they like . . . chilled ammonia cocktails and nice tasty quartz crystal hors d'oeuvres sprinkled with sulphur!"

"Honey, you'll like it just as much as Geraldine Matthews did. Look, see what it says here. The schools are excellent, the hospital is first class, and all kinds of Earth food are available at the commissary—and with the hardship allowance we'll be able to pay off the house."

"Daddy." Sarah Brown was awake and had been listening carefully. "Daddy, can I have a six-legged Mars doggie, and can we play hidlers-snoopers sometimes?"

"Sure you can, sweetheart. A small one, just as soon as it has all its shots, and we'll play lots of games. We're going to have fun and be happy just like home. This *is* our new home."

Mary Brown leaned across the seat and kissed her husband on the cheek. "I know we'll be happy, dear, I know we will. It's just my turn to be nervous."

A red light began to flash and Steward Hopkins's voice again came over the loudspeaker.

"We have been given clearance to land. Please fasten your seatbelts and shoulder straps, and please be sure your customs form is filled out completely. *Prepare for acceleration.*"

Steward Hopkins repeated the message in passable Martian as the rocket engines fired for half a minute to drop them out of orbit. The ship entered the wispy atmosphere and started to buffet slightly.

"Gosh, Mary, do you have the passports? They're not in my coat pocket."

Mary Brown was looking down at the lights of the city and wondering what their new home would be like. "Yes. I have them," she said patting her purse. "I just hope our space freight gets here in the next six weeks." □

Diplomat into Bureaucrat

(Continued from page 21.)

There is, of course, a significant place for government professionals with knowledge of languages or areas. Think tanks, businesses, consulting firms, and academia might also be used as talent pools. Such experts could be brought in from the widespread network of government and be used more rationally. As Civil Service specialists they would be useful within all officialdom, including State and other national security affiliates.

It has also been argued that the Foreign Service could have a more limited but essential role by providing continuity in U.S. foreign policy. But this has already been strongly challenged by the influence of the other national security agencies and the impact of sweeping personnel changes by each new administration.

The advantages of overseas Foreign Service personnel in policymaking and information is decreasing. With the proliferation of computer use and rapid information retrieval, Washington has a mass of readily available and conveniently usable data. In time this will contain relevant cultural, anthropological, and psychological portions. Secure on-screen or telex conferences, provided for by international agreement, could further lessen the time-lapse factor between headquarters and the field. Even now State has virtually instant home-field communications facilities.

Certain conclusions can be drawn from all of this. Changing official needs, government complexities, and the weight of personnel size seem to foster a de facto consolidation of the Foreign Service and Civil Service. Sponsors of such a move would assert that it is in the best interests of the United States. After appraising the demise of the diplomat and reincarnation as a bureaucrat, reality demands that any emotional twinges at the transformation are superfluous. The structure of U.S. diplomacy and its ancillary operations are expressions of policies and needs. Modern technology and a bureaucratic culture have ended the need for the American diplomat to maintain a separate identity. □

A Military Build-up

(Continued from page 29.)

unless Japan gives greater priority to logistics. A reasonable estimate is that it would take defense expenditure increases of 10 or 11 percent in yen, or 7 or 8 percent in real terms, per annum over the next five years to meet the plan targets and narrow the logistics gap.

Since assuming office, Prime Minister Nakasone has spoken out frequently on the need to strengthen the SDF to ensure future cooperation with the United States and counter the Soviet military build-up in the western Pacific. During his visit to Washington in January, he stated, in an interview with the *Washington Post*, his personal view that Japan should develop effective air defenses against the Backfire bomber, be able to close off the Sea of Japan straits to the Soviets, and defend sea lanes to Guam and the Taiwan area. This was by far the closest any Japanese leader has come to endorsing U.S. proposals for future Japanese defense responsibilities. Nevertheless, it is uncertain whether he will be able to move the government in this direction. He must contend with two key elements in the political environment: the powerful Japanese bureaucracy and the skeptical mood of the Japanese public toward defense. This skepticism was reflected in the heavy criticism in the Japanese press and the Diet that greeted his remarks.

Within the bureaucracy, the Finance Ministry can be expected to persist in its advocacy of minimal defense budget increases as part of its drive for overall spending constraints. The newly announced 6.5-percent hike in military expenditures for FY 1983 to 2.75 trillion yen, or \$11.8 billion, reflects the ministry's influence. Defense Agency procurement requests for FY 1983, the first year of the new plan, have been cut, and little enhancement of logistics assets is apparent.

A more complete test for the prime minister will come with the budget for FY 1984. His ability to influence the drafting process, which begins this spring, will tell much about his role in the formulation of defense policy. A key question is whether he will inject

his views in the initial stage of the budget drafting—this May and July—when the ceiling on FY 1984 defense spending will be set. If he fails to do so, the Finance Ministry will set a ceiling unilaterally.

Asian reaction to the U.S.-Japan defense dialogue and its possible consequences remained muted until last summer, when Philippine President Ferdinand Marcos and Indonesian President Suharto visited Washington and voiced apprehension over a future Japanese defense build-up. Two factors appeared to set off this concern: a lack of consultation by the United States and the controversy in Japan over attempts to re-write the history of its actions in World War II. The fears expressed recently in South Korea and the ASEAN countries have two themes: opposition to a Japanese military presence in their immediate geographic regions and concern that the United States intends to abandon its western Pacific security responsibilities and turn them over to Japan. These governments do not oppose enhanced Japanese military strength for the home islands and the surrounding waters—indeed some have endorsed that—but they want the United States to be the primary military power in their respective regions and in the western Pacific generally.

Suggested Thinking

Given the ambiguous attitudes toward a militarily stronger Japan that exist throughout the region and even in Japan itself, U.S. policymakers should keep several things in mind when formulating the U.S. approach toward the Nakasone government. The new prime minister undoubtedly wants to do more in defense. On the other hand, Nakasone faces the same constraints as his predecessors. One should not anticipate that a Nakasone government will appreciably alter the new Mid-Term Program Estimate. The government spent over a year in preparing the plan, and the final product does represent an upgraded defense program. It is unlikely to shift course unless a drastic change should occur in Japan's immediate security environment.

Therefore, the United States may

achieve little in the next three to four years if it continues to press for force levels higher than those targeted by the plan. A sounder strategy would consist of pressing Japan to meet the annual funding and procurement requirements for the estimate and to make greater efforts in logistics commensurate with the build-up of front-line weaponry. Also, the United States could urge the Japanese to acquire the assets needed to block the Sea of Japan straits and work to gain Japanese concurrence in a strategy based on controlling the sea throughout a northwest Pacific defense zone rather than one of defending narrow sea lanes, like that reportedly favored by the Defense Agency. Japan could enhance its control over the northwest Pacific by basing a portion of its P-3Cs on Okinawa or nearby islands, and on Iwo Jima, thus increasing their operational time over ocean lanes.

The United States and Japan together could take several steps to alleviate the apprehension of South Korea and the ASEAN states. A closer definition of the 1000-mile southern perimeter, perhaps placing its limit at the Tropic of Cancer—about 1000 miles from Tokyo—would assure the ASEAN countries that Japanese forces would not enter Southeast Asia. Increased U.S. defense cooperation with other Asian friends would re-emphasize U.S. commitments and the American presence. This already has begun. Japan could demonstrate its supportive approach to these countries through continued and increased economic assistance. An example is Nakasone's apparent success in resolving the issue of future aid to South Korea during his visit to Seoul in January 1983.

The United States must be cautious in pushing Japan toward revising its defense policy. It should not expect its ally to commit large sums to the military nor should it expect Japanese public opinion to be enthusiastic about any plan to upgrade its current military position. However, the pro-defense outlook of Nakasone coupled with a moderate and subtle U.S. approach may bring some welcome changes in Japanese military forces even if they remain within the limits set by the second five-year plan. □

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Scholarships: 1983 AFSA/AAFSW Merit Award Panels Organized

Once again plans are underway for the establishment of the 1983 Merit Awards for competing high school seniors who will graduate this spring. Twenty-four volunteer panelists from State, AAFSW, AID, USIA, and the retired Foreign Service community will meet on April 6 at AFSA for their orientation meeting, and the selection process will begin. This competition, based on academic excellence, will reward approximately 22 winners with \$500 awards. Similar to selection boards, the Merit Award Panels will review all those applications which were received in the AFSA Scholarship office by March 1. Announcement of the winners will be made May 1, and pictures and brief biographies of these outstanding Foreign Service Juniors will be published in the *Foreign Service Journal* in September.

Interest in the Merit Awards, as well as the Financial Aid Scholarships which are available each year to eligible undergraduate students of Foreign Service personnel, has been especially enthusiastic this year, and the competition promises to be a lively and interesting one.

Deaths

REGINALD BRAGONIER, a retired Foreign Service officer, died at Nantucket Cottage Hospital on December 24 after a long illness.

A graduate of the Gilman School in Baltimore and Yale University in 1928, Bragonier helped found a newspaper in suburban Baltimore and taught at the Hill School before joining the diplomatic corps. He married the former Katherine Hill of New York, Bermuda, and Nantucket, and served in a variety of posts in Germany, Poland, China, Uruguay, Panama, Ecuador, and Peru.

After retiring from the service, Bragonier became program director at Meridian International House in Washington and taught at the St. Stephens School in Alexandria, Virginia. In 1969, the Bragoniers moved to Starbuck Cottage on Main Street

in Siasconset, on Nantucket Island. He taught at Nantucket High School, became a member of the Winter Club, and served as vice-president of the International Marine Archives. He was also treasurer of the Siasconset Chapel and a former vestryman at St. Paul's Church in Nantucket.

Following the death of his wife in 1973, Bragonier married the former Cecelia Gabriel of Cleveland and Alexandria, Virginia. He is survived by his wife, his son Reginald Jr. of Chappaqua, New York, and daughter Merriam Bouscaren of New Canaan, Connecticut. A service will be held in his memory in the Siasconset Chapel on June 25. The family asks that in lieu of flowers, donations be made in his name to the Nantucket Conservation Foundation, Inc., PO Box 13, Nantucket, Massachusetts 02554.

ETHEL FJELLE, whose last post was in the embassy in Oslo, Norway, died December 20 following a heart attack and a stroke.

A letter from Fjelle's grandchildren, Christian and Elizabeth Ann, said that she died peacefully two days after being admitted to a clinic. After cremation in Spain, they would take her remains to Oslo, where she would be buried beside her husband and father, as was her wish.

HARRY MOORE PHELAN JR., a retired career diplomat and World War II Army Air Corps major, died January 25 in Lynchburg, Virginia, of lung cancer. He was 65.

Phelan was a minister-counselor and a senior negotiator of U.S. economic interests at the mission in Geneva, Switzerland, when he retired in 1979. Previously he had served in diplomatic and consular posts in Greece, Pakistan, Italy, Trinidad, and Afghanistan.

He was born in Trenton, Tennessee, and was graduated from Southwestern University in Memphis, Tennessee, in 1939. After serving in the Air Corps during World War II, he received an M.B.A. from Tulane University in 1947. During his Foreign Service career he studied at Harvard University and the Massachusetts Institute of Technology. An avid fisherman and hunter, he was a resident of Alexandria, Virginia, until he moved to Lynchburg shortly after retiring.

Survivors include his wife, the former Langhorne Carrington of 1240 Krise Circle, Lynchburg, Virginia 24503, and a son, Harry Moore Phelan III of Alexandria. The family suggests that expressions of sympathy be in the form of contributions to the Richard Carrington Phelan Fellowship Fund, University of Virginia, Office of University Development, The Rotunda, PO Box 9013, Charlottesville, Virginia 22906.

HAROLD M. RANDALL, former U.S. representative on the Economic and Social Council of the Organization of American States, with the personal rank of ambassador, died on October 26, 1982. He was 82 years old.

Born in Jefferson County, Iowa, Randall attended Georgetown University, where he was graduated with a doctorate in political science. In 1928 he entered the Department of Commerce, looking to its Foreign Service as a career. In 1930 he was named assistant commercial attaché in the embassy in Santiago, Chile. Then followed assignments in Argentina, Paraguay, Spain, Mexico, and Cuba.

On retirement in 1959, Randall spent 10 years at the American University in Washington, D.C., as the first director of the Business Council for International Understanding. He was also professor of Latin American studies in its School of International Service and visiting lecturer on Latin American subjects to Army and Air Force Command and Staff schools.

Randall is survived by his wife, Irene N. Randall, two sons, a daughter, 11 grandchildren, and two great-grandchildren.

JOSEPH I. TOUCHETTE, a retired Foreign Service officer, died November 12 after a long illness. He was 86.

Touchette was born in North Grosvenordale, Connecticut, and raised in New Bedford, Massachusetts. He enlisted in the Army and served in France during World War I. He was commissioned in the Service in January 1924. His first post was Nancy, France. Subsequent posts included Egypt, Algeria, Canada, Kenya, China, and Madagascar. He retired in October 1953.

Touchette is survived by his wife, Denyse Frixon, his daughter Nancy, who lives in Washington, D.C., and his son Bob, who resides in Columbia, Maryland.

Marriage

CHARLES HARLAN SOUTHERLAND, son of retired Foreign Service Officer J. Harlan and Barbara Southerland, was married to LIESE KRISTIAN COOK, daughter of Paul K.

Cook of the State Department's intelligence and research bureau on January 4.

Births

LAURA WHITNEY JOHNSTON was born October 24, 1982, to RONALD B. and MAUREEN K. JOHNSTON. The father is a member of the Regional Communications Programs Office in Bonn, Germany.

RYAN BERNARD NOLAN was born on May

4, 1982, to ROBERT B. and NANCY WILSON NOLAN in Fairfax, Virginia. The father is budget officer for the Personnel Bureau.

Achievement

TALCOTT W. SEELYE, retired Foreign Service officer and ambassador, was elected in June 1982 to the Amherst College board of trustees. Seelye was a magna cum laude graduate of Amherst in 1947.

Peace Corps Alumni

The Returned Peace Corps Volunteers of the Washington area welcomes all returned volunteers to join. Membership includes *Issues Forums* on timely and controversial topics, social gatherings, international potluck dinners, and a newsletter with articles, announcements, and book reviews. For further information contact Holland McKenna (546-4692) or David Hunsberger (332-3927).

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Association News

Association, State Reach Accord on Performance Pay

The Association and the State Department have reached agreement on procedures for 1982 performance pay awards. The timetable called for performance pay selection panels to have met by the end of February, with the announcement of awards to be made before the end of this rating period, April 15.

A separate performance pay selection board composed of five members, at least three of whom will be from the Foreign Service, will examine the files of all eligible senior officers. The board will then rank-order a sufficient number of officers to meet the expected number of awards. The department will be strictly bound by this rank-ordering.

The board will also review all eligible senior officers to determine who will be the department's nominees to the inter-agency competition for presidential pay awards. The board will again rank-order its nominees and prepare statements justifying its choices. However, in exceptional individual circumstances, the secretary of state may make his own nominations. AFSA will be fully informed of any deviation from the strict rank-ordering. Last year, there were no presidential awards given because of a labor-management dispute between the American Federation of Government Employees and USIA. We hope that this will not be repeated this year. Both the Association and management have stipulated that this agreement is for the 1982 awards only.

HAPPY HOUR

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Sissy Spacek and Jack Lemmon star in the controversial movie *Missing*.

AFSA to Aid Libel Suit Against Makers of Film Missing

The AFSA Governing Board has voted to contribute \$2500 to a libel suit filed in a U.S. District Court by two Foreign Service officers and a former naval attaché who allege they were defamed by the 1982 Universal City Studios movie *Missing*. The plaintiffs, former Ambassador to Chile Nathaniel Davis, former Santiago Consul Frederick Purdy, and former Chief of the U.S. Navy Mission in Chile Ray E. Davis, charge that the movie and the book on which it was based contain parts that are "false, unfair, inaccurate, and defamatory." In particular, the plaintiffs allege, the movie implies that they ordered or approved the order for the murder of Charles Horman, an American citizen said to be active in leftist causes in Chile, shortly after a military junta overthrew the government of Salvador Allende Gossens in 1973.

The suit further charges that the defendants—who include the studio as well as director Constantin Costa-Gavras; MCA, Inc., parent corporation of Universal; Thomas Hauser, author of *The Execution of Charles Horman*, on which the movie is based; Harcourt Brace Jovanovich, publisher of the book; and the Hearst Corporation, parent of Avon Books, publisher of the paperback *Missing*—published the movie *Missing* with actual malice and with knowledge that

statements were false, unfair, inaccurate, and defamatory. As a result, the plaintiffs say, they have been publicly disgraced and seriously injured in their professions and reputations.

The Governing Board encourages those members who wish to aid the suit to contribute to the "Plaintiffs' Anti-Defamation Fund re *Missing*" and mail contributions c/o Judd Kessler, 3716 Thornapple Street, Chevy Chase, Maryland 20815.

AFSA Pushes for Non-Degree Travel Allowance

At the Association's prodding, the five foreign affairs agencies are proposing to Congress an amendment to the U.S. code that would permit educational travel allowances for dependents of Foreign Service personnel enrolled in non-degree educational programs. As noted in the last issue, the present limit to full-time undergraduate degree programs is not a matter of negotiable regulations but of law and applies to all federal workers.

"This change more squares with today's economic and employment realities," reported AFSA's AID Standing Committee, which pushed for the measure in response to concerns expressed by several AFSA chapters. Should it pass, dependents in programs such as computer programming or dental hygiene would be eligible for the benefit.

Board Updates Memorial Plaque Eligibility Criteria

The AFSA Governing Board has approved recommendations of its Memorial Committee to modify the criteria of eligibility for inclusion on the memorial plaque in the diplomatic lobby and to conduct a review of some 47 Foreign Service employees who died overseas since 1974, the last time the plaque criteria were reviewed. The plaque, maintained by AFSA, is on the east side of the Diplomatic Entrance and honors "those Americans who have lost their lives under heroic or other inspirational circumstances while serving the government abroad in foreign affairs."

The plaque, meant to "bear witness to the distinctive risks inherent in the Foreign Service and to the Service's pride in those who have accepted them," is limited to U.S. government employees serving the government abroad under the control of a chief of mission. Eligibility will involve deaths resulting from occurrences abroad, including official travel involving distinctive hazards, other than unaggravated natural causes. Consideration will be given by the committee to Foreign Service employees killed inside the United States while performing duties related to their jobs. The committee will interpret the phrase "other inspirational circumstances" broadly enough "to comprehend the distinctive dangers of life and work in the Foreign Service."

Gergen Speaks on Public Diplomacy at Club



AFSA President Dennis K. Hays (right) presents a certificate of appreciation to White House Director of Communications David R. Gergen following his remarks on January 19. Gergen's speech was sponsored by the USIA Standing Committee of AFSA as part of its luncheon lecture series, "Public Diplomacy in the Eighties."

Agreement Reached on AID Selection Out Procedures

After protracted negotiations, AFSA's AID Standing Committee has reached agreement with agency management on procedures for mandatory retirement for relative performance—"selection out"—which was mandated in the Foreign Service Act of 1980.

The procedures operate much like those of the Department of State. Each Selection Board designates the bottom 10 percent of the group it reviews during the annual evaluation. The employee list is alphabetized and referred without comment to the Performance Standards

Board. The PSB examines the files of the employees to determine if any of them has not met the standards of his or her class.

Those who are judged to have met the standards are subject to no further action. Those who are determined not up to the standards are designated for mandatory retirement for relative performance. The names go to the director of personnel, who decides whether the employee will be separated between one and six months later or, if AID has programmatic need for not implementing selection out (e.g., a shortage in a skill category) and if there are good or compassionate reasons, the agency may extend the separation date by an additional year. The PSB was expected to convene last month.

Persons designated for selection out have two avenues of appeal—the Foreign Service Grievance Board and the Special Review Board. For the 1982 evaluation cycle, which has just finished, AID has agreed not to contest AFSA's interpretation of Section 2106(e) of the act as precluding selection out for all but a few categories of employees until 1991. For this year only the following categories of persons may be separated if designated for selection out: individuals who gained full career status after October 16, 1980; employees who are at least 50 years of age with 20 years of service; employees who are at least 60 years of age with five years of service. AID management has proposed to Congress an amendment to the act that would enable it to apply selection out to all categories of employees. The standing committee strongly prefers the law to remain as it now reads.

TGIF at the Foreign Service Club



Patrons celebrate the end of the week at the Foreign Service Club's new Happy Hour. AFSA members and their guests are invited to enjoy drinks at special prices and free hors d'oeuvres at the club every Friday evening from 5-7:30.

Retirement Update: Stopping the Assault on Federal Workers

Recent events seem to confirm that the present administration is launching a wide-ranging campaign to prune back drastically both the roots and branches of the present federal personnel system.

The first major assault has been directed against retirement. In the fiscal year 1984 budget which the president sent to Congress on January 31, the following statement appears: "The federal employee retirement system is one of the most generous pension plans available in the United States. Workers' contributions cover only 20 percent of the cost of the system; the federal taxpayer pays the remaining 80 percent." Taking off from there, the budget then lists six areas where legislation will be introduced "that would reform the Civil Service system to deal with the problems created by these factors." These proposals were circulated throughout the State Department and communicated to all overseas posts, thus prompting numerous anguished inquiries to AFSA in Washington.

First, a few words of comment. Let's consider the "workers 20 percent, taxpayers 80 percent" statement. As a one-liner, this easily fuels the public perception of the federal workforce as happily wallowing about in a gigantic pork-barrel. Totally obscured by this statement are these facts: that for 35 years the government failed to make its statutory contribution to the retirement trust funds; that for years the trust funds generated no interest income as they were supposed to do; that no provision ever was made to reimburse the trust funds for retirement credit given for military service, or to fund the cost-of-living adjustments (COLAs) during the inflation spiral of the 1970s.

In short, if indeed the taxpayer is now paying four-fifths of the costs of federal retirement, it is because of decades of the government's own fiscal procrastination and irresponsibility.

To return to the budget document, the six proposals designed to cure the difficulties are applicable to the Civil Service and, if enacted into law, presumably would be extended to cover the Foreign Service in the following modified form. They are:

- *Annuity adjustment for early retire-*

ment. The present optional Foreign Service retirement age of 50 would be raised to 60, with a 5 percent reduction in annuity for each year a retiree was under age 60 being phased in over a 10-year period.

- *COLA Changes.* No COLAs for 1984, and permanently limiting retirees under age 62 to one-half the full COLAs after 1985.

- *Increase employee deductions for retirement.* Up from the present 7 percent to 9 percent in 1984 and 11 percent in 1985

- *Increase the government's contribution in like amount.*

- *Calculate annuities on the basis of the high-five years' earnings rather than the high-three as at present.*

- *Change the formula that determines the percentage of salary replaced by the retirement annuity.* The objective here is to reduce the cost of the retirement system to 22 percent of payroll (11 percent from the employee and 11 percent from the government). This could mean calculating the amount of the annuity at 1.5 percent per year rather than the present 2 percent.

Before any of these proposals can be put into effect, they face a tortuous and controversial journey through the legislative process. The Speaker of the House and the chairmen of the Ways and Means Committee and the Post Office and Civil Service Committee have gone on record as opposing them. Consequently, it is by no means a foregone conclusion that all, some, or any one of them will be enacted in a form that would be applicable to the Foreign Service.

Of immediate concern, however, is the probability that Congress will act to bring all new employees entering the federal government on or after January 1, 1984, under Social Security. In submitting its report to the President in late January, the National Commission on Social Security Reform set forth a blueprint designed to rescue the Social Security Trust Fund from its current financial crisis. Expedited by the backing of the president, the Speaker of the House, and the majority leader of the Senate, the entire commission package of recommendations, including mandatory Social Security coverage of federal employees, is now making its way through the Congress with Easter as the target date for final enactment and signature by the President.

What role is AFSA playing in all this?

First, AFSA appeared before the House Ways and Means Committee and the Senate Finance Committee to testify

in opposition to extending Social Security coverage to new entrants into the Foreign Service. Our opposition was based upon the fact that such an action would lead to the eventual dissolution of the present Foreign Service Retirement and Disability System which, in contrast with that of the Civil Service, operates as an essential and integral element in the Foreign Service personnel process. AFSA has also embarked upon a systematic schedule of contacting those members of Congress and key staffers who have an important role in determining the course of any legislative proposals affecting the federal workforce.

Second, AFSA is actively engaged in working with a number of federal professional groups, retiree organizations, and labor unions in coordinating legislative activities. One such group is the Fund for Assuring an Independent Retirement (FAIR), which early in February launched an extensive media campaign on radio, television, and in the press in key Congressional districts throughout the country. The campaign emphasized that bringing federal workers into Social Security not only would not contribute significantly to bailing out the ailing Social Security Trust Fund, it ultimately would cost the taxpayers more when the federal retirement trust funds run dry because new employees are no longer contributing to them.

Other initiatives AFSA has taken include:

- The formation of a working group with representatives from AAFSW, the Thursday Luncheon Group, September 17, the Consular Officers Association, and the Senior Foreign Service Association, in addition to AFSA, to monitor and act on legislative activities;

- Meetings with senior management officials to brief them on AFSA's concerns and request their assistance;

- Proposing an amendment to the Foreign Service Act to unlink the Foreign Service from automatic compliance with changes in the Civil Service;

- Investigating the complications of setting up a legal fund, as well as investigating legal options;

- Hiring a congressional liaison officer, Robert M. Beers, former AFSA executive director, retired Foreign Service officer, and former vice-president of the National Association of Retired Federal Employees, who has registered as a lobbyist and made numerous contacts and delivered testimony before several committees on Capitol Hill.



Managing Your Money

Help for Education Funding

By MARGARET WINKLER, *Financial Planner*

Despite claims to the contrary, financial aid for college students survives. Students and their families, however, must look to a bewildering variety of programs and strategies sponsored by states, the schools themselves, private corporations, banks, and the curtailed federal work-study program. The search therefore must comprise a number of ingredients: ingenuity, flexibility, timely action, and persistence.

To young families for which education will be a high priority, there can be no substitute for an early start in building a college fund. Here there are several strategies. The Crown Loan technique, which shifts income to a trust, may be one way to begin an accumulation. You can establish an irrevocable trust for your children with \$1000 in cash and lend the trust, interest free, sufficient funds to provide an income stream to pay for educational expenses. Caveat: this is not a do-it-yourself procedure and is cost-effective only with a substantial sum. Potential traps exist unless a competent lawyer drafts the trust and loan documents. Realistically, few families have the combination of discretionary income, foresight, and discipline to take advantage of this kind of tool, "invented" by a wealthy family and persistently but so far unsuccessfully attacked by the IRS. There are other combinations of trust and income shifting arrangements that may be more appropriate for you.

Another possibility for high dual-income couples: invest in a tax-sheltered partnership, leveraged real estate, or oil and gas. Hold it during the early, tax-write-off years, then give the partnership to a child when income starts to flow. Non-taxable giving levels have been raised from \$3000 to \$10,000 (higher if both spouses give).

New accounts, similar to IRAs, to allow tax-deferred accumulation of funds for post-secondary education have been proposed to the Congress but no action is anticipated this year. Next year's students will thus have to intensify the search for funds; more immediate solutions are needed. Many schools are reporting that funds are still available to

augment the students' own efforts and contributions from their families.

There is no doubt that enforcement of "needs test" criteria has intensified. This will severely affect families with hard but non-liquid assets, such as income-producing real estate. Colleges expect the family with income over \$30,000 to acknowledge and bear the major, first-dollar burden. One recently published guideline: parents in a family of four with one child in college, one salary earner, pretax income of \$32,000 from employment only, net assets of \$40,000 (including home equity), and no unusual expenses or deductions will be expected to contribute about one-tenth of income before taxes.

Colleges also expect students to investigate multiple aid sources. If information from the several applications for federal, state, and collegiate financial-aid programs shows financial need, school financial-aid officers generally try to put together a package of grants, scholarships, loans, and work assistance that comes close to meeting needs. A recent survey of 1200 four-year colleges indicated that on average, 86 percent of an individual's need was met.

Counseling offices should contain detailed, comprehensive information about the combinations of aid, what paperwork is required, and timetables for applications. Excellent general articles have appeared in *Changing Times* (October 1982) and *Washingtonian* (December). Recommended publications include Kenneth and Irene Kohl's *Financing College Education* (Harper & Row, 1980), the 1982-1984 edition of *Don't Miss Out*, by Robert Leider (Octameron, P.O. Box 3437, Alexandria, Virginia 22302, \$2.50 in paperback). Inquire about other publications from this source. Libraries should have *The College Cost Book*, 1982-1983, published by the College Board. Free from the Consumer Information Center, Pueblo, Colorado 81009 is *The Student Guide: Five Federal Financial Aid Programs*.

For a free list of schools that allow students to alternate classroom learning with actual work experience, write the

National Commission for Cooperative Education, 360 Huntington Avenue, Boston, Massachusetts 02115.

The American Foreign Service Association offers two scholarship programs for the dependent children of Foreign Service personnel who are stationed or have been stationed abroad for the foreign affairs agencies of the U.S. government operating under the provisions of the Foreign Service Act of 1980. Information about these two programs—*Merit Awards* for graduating high school seniors based on academic excellence, and *Financial Aid Grants* for full-time undergraduate study in the United States—can be obtained by calling or writing Dawn Cuthell, Scholarship Programs Administrator, at AFSA, 2101 E Street N.W., Washington, D.C. 20037; (202) 338-4046.

The Cost of Love, and Other Famous Bureaucratic Flubs

Over the years, some really classic and genuine despatches, airmgrams, cables, memos, etc., have been collected and treasured by Foreign Service personnel for their humor, intended or otherwise. Since we could all use a laugh these days, the *Journal* would like to find and publish some of these gems before they disappear forever. If you have any items you would like to share, please forward them to the *Journal* at 2101 E Street NW, Washington, D.C. 20037. An example follows:

AFSA frequently receives inquiries on Foreign Service benefits and allowances, but we had to chuckle over a query about whether any regulations prohibit extending to American family members the "cost of loving" adjustment given Foreign Service national employees. We cabled the post and noted that such an action would certainly improve employee morale. Responded the post: "AFSA rep has found no trouble signing up eager volunteers to form a committee to probe cost of loving adjustments."

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