

FOREIGN SERVICE

J O U R N A L

\$2.00

November 1986



LIVING ON A SMALLER BUDGET

Protocol Demands It. You Deserve It.



Special Discount Prices For Diplomats On American-Built AMC Cars and Jeeps.

With over 100 years' experience in solving the transportation problems of drivers around the world, AMC/Jeep/Renault fully understands the unique driving needs of the diplomatic community.

Now, no matter where in the world your duties take you, you can take advantage of Special Diplomatic Prices on every AMC/Renault car and AMC/Jeep vehicle we offer—Special Diplomatic prices that save you big money on your personal transportation needs from Accra to Zagreb—and even back home in the U.S.A.

Jeep Cherokee/Wagoneer . . . the only vehicles ever to sweep "4 x 4 of the Year" honors from all three leading off-road publications! With seating for five, 2 or 4 doors, and more interior room than any domestic or foreign competitor, it's easy to see why the Jeep Cherokee and Wagoneer are

the undisputed champs of family size 4 x 4's!

Jeep Wrangler . . . equally at home in the country, or at the country club. Wrangler's rugged good looks and classic profile are reminders of Jeep's 45-year heritage as the originator of the 4-wheel drive revolution. But Wrangler cushions you in a cradle of comfort and quiet unmatched by any other open-body 4 x 4 vehicle.

And it's a Jeep . . . where the 4 x 4 legend is standard equipment.

Consider Alliance . . . a blend of European technology and American luxury that speaks a value language all its own. Alliance will surprise you with its intelligent design, responsive performance, and plush room-for-five interior. There's even a convertible Alliance—American-built proof that affordable top-down fun and high-performance excitement is back again—to stay.



For complete details on the Diplomatic Purchase Program, and the AMC/Jeep/Renault vehicle for you, Foreign Service Personnel in the U.S. should contact:

Diplomatic Sales Division
AMC/Jeep/Renault
The American Center
27777 Franklin Road
Southfield, MI 48034

Foreign Service Personnel overseas may telex #221623 MILCA UR
Att: Diplomatic Sales Division.

AMC/Jeep/Renault
Diplomatic Sales Division

◆ RENAULT | Jeep ◆

The joy of being
an AFSA member.

We guarantee acceptance into our hospital income plan.

This hospital income policy covers a pre-existing illness after only three treatment-free months after your effective date of coverage.

After 24 months, there are no limitations on pre-existing illnesses.

Our plan pays up to \$100 per day for up to 365 days, or a limit of \$36,500. If you're in intensive care, we pay you up to \$200 per day up to 30 days.

We cover every kind of accident or illness except for intentionally self-inflicted injuries, war or cosmetic surgery.

We even cover maternity.

No physical examination is required. No medical questions are asked. The policy is guaranteed for life. *You can't individually be terminated for ill health.*

The only stipulation is that you have to be a member of AFSA, under 70 years of age.

We believe the rates are half as much as those for non-group coverage.

We even think we're less expensive than most groups.

Send us this coupon so we can send you more facts.

AFSA Desk
The Hirshorn Company
14 East Highland Avenue
Philadelphia, PA 19118
Telephone: 215-242-8200*

Please send me your free brochure (with a built-in application form) that answers my questions about the AFSA Group In-Hospital Income Plan.

Name _____

Address _____

Underwritten by
INSURANCE COMPANY OF NORTH AMERICA
a Cigna Company

CIGNA

*In the Washington, D.C. area, call 202-457-0250.

AFSA



Ever since the passage of the Gramm-Rudman-Hollings deficit-reduction legislation, the federal budget pie has been shrinking, and with it the slice reserved for the foreign affairs agencies. This month the JOURNAL presents interviews with the people who make budgetary decisions in those agencies (see page 36), and they discuss how the reductions will affect their personnel and programs. Photo by Dick Slease, Daniels Photography.

Editor: STEPHEN R. DUJACK
Senior Editor: FRANCES G. BURWELL
Assistant Editor: WILLIAM E. WICKERT III

Editorial Board

Chair: A. STEPHEN TELKINS
Vice Chair: ANDREW STEIGMAN
Members: THOMAS DOWLING
STEPHEN EISENBRAUN
LINDA JEWELL
TERESA CHIN JONES
PATRICIA MALLON
WILLIAM B. NANCE
JOHN D. PIELEMEIER

Advertising Representatives

JAMES C. SASMOR ASSOCIATES
521 Fifth Ave., Suite 1700
New York, N.Y. 10017.
(212) 683-3421

JOSHUA B. POWERS, LTD.
46 Keyes House, Dolphin Square,
London SW1. 01-834-5566.
International Representatives

CONTENTS

Fulbright at Forty 26 *Michael G. Stevens and Ronald A. Ungaro*

After four decades, this academic exchange program has proved its worth as an instrument of foreign policy.

The German Foreign Service 33 *Charles R. Foster*

A traditional diplomatic corps is well insulated from political changes in the government.

Hard Sailing for Ship of State 36 *An Interview with Willard DePree*

Federal budget reductions are bringing the agencies face to face with personnel and program cuts.

Journal: Diplomacy on Trial 42 *Dave Simcox*

Two shooting deaths bring relations between Mexico and the United States into an Oklahoma court of law.

Association Views	3	Despatch	25
Letters	4	Scholarships	46
Books	10	People	47
Periodicals	16	Foreign Exchange	48
Diplomacy	19	Association News	52
Clippings	22	Retirement News	60
10-25-50	24		

"The Independent Voice of the Foreign Service"

The FOREIGN SERVICE JOURNAL is the magazine for professionals in foreign affairs, published monthly except August by the American Foreign Service Association, a private non-profit organization. Material appearing herein represents the opinions of the writers and does not necessarily represent the official views of the foreign affairs agencies, the U.S. government, or AFSA. The Editorial Board is responsible for general content, but statements concerning the policy and administration of AFSA as employee representative under the Foreign Service Act of 1980 in the ASSOCIATION NEWS and the ASSOCIATION VIEWS, and all communications relating to these, are the responsibility of the AFSA Governing Board.

JOURNAL subscriptions: One year (11 issues), \$15. Overseas subscriptions (except Canada), add \$3 per year. Airmail not available.

Second-class postage paid at Washington, D.C., and at additional post office. POSTMASTER: Send ad-

dress changes to FOREIGN SERVICE JOURNAL, 2101 E Street NW, Washington, D.C. 20037.

Microfilm copies: University Microfilm Library Services, Ann Arbor, Michigan 48106 (October 1967 to present). Indexed by PAIS.

The JOURNAL welcomes manuscripts of 1500-4000 words for consideration by the Editorial Board. Author queries are strongly urged, stamped envelope required for return. All authors are paid on publication.

© American Foreign Service Association, 1986. 2101 E Street NW, Washington, D.C. 20037. Phone (202) 338-4045.

November 1986. Volume 63, number 10. ISSN 0015-7279.

ASSOCIATION VIEWS

Second Careers

Some in State Department management seem concerned that so few departing FSOs are finding adequate second careers. Apparently, they would feel better about sending so many officers into involuntary retirement if they believed they were moving to second careers that would enable them easily to meet their family and financial obligations. Unfortunately, there is little in the re-employment experience of most recent retirees to console our managers.

The myth that FSOs are well thought of in academic and business circles, and have little difficulty in finding interesting and financially rewarding second careers, is being severely eroded by the experience of recent retirees. A few still are able to exploit ambassadorial titles for big salaries and prestigious posts. Unfortunately, the business and academic realms have ended their rapid expansion in the international area just as the Foreign Service has lost its near monopoly on personnel with experience in foreign languages and cultures. Not only are international firms cutting back overseas, they are increasingly replacing U.S. citizens with locals who have American degrees.

To make matters worse, private firms have released hundreds of thousands of middle managers for cost-cutting reasons—estimates place the number of unemployed middle managers at 325,000—and academia is still working its way through a large surplus of scholars pursuing a dwindling number of teaching posts. Retired FSOs are disadvantaged in their competition with retired executives since the latter left their firms largely under incentive schemes for early retirement, while the ousted FSOs are described publicly by the department's management as "non-competitive," "surplus," or "hall-walkers."

Corporate headhunters have acknowledged that being an FSO is a help in job searching—provided you have not been in the Service more than five years. However, in this domestically oriented job market, employers are finding that 20 or more years in the Foreign Service places you at a considerable disadvantage in most job competitions.

Fortunately, the same personnel policies which are forcing so many FSOs into involuntary early retirement are also helping to create a situation that may provide second careers for some departees right within the State Department. As most of the non-regional bureaus are not considered part of the "fast track" that currently is the only one to survival, these bureaus have had to resort to hiring back recent departees on contract or converting Foreign Service positions to Civil Service so that endangered FSOs can convert. Perhaps this trend can keep pace with the career-ending aspects of our personnel system.



AMERICAN FOREIGN SERVICE ASSOCIATION

Governing Board

President: GERALD LAMBERTY
State Vice President: ANTHEA S. DE ROUVILLE
AID Vice President: WILLIAM ACKERMAN
USIA Vice President: A. STEPHEN TELKINS
Secretary: HARTFORD T. JENNINGS
Treasurer: SAMUEL MOK
AID Representative: JEAN DU RETTE
 FRANK YOUNG
State Representatives: SCOTT DANAHER
 SANDRA DEMBSKI
 JAMES A. DERRICK
 BARBARA HUGHES
USIA Representative: JOHN QUINTUS
Retired Representatives: WILLIAM CALDERHEAD
 ROGER PROVENCHER
 JOHN THOMAS

Staff

Director for Administration: SUE B. SCHUMACHER
General Counsel: SUSAN Z. HOLIK
Director of Member Services: SABINE SISK
Member Services Representative: GERALD M. KUNCIO
Comptroller: ALICIA BREHM
Membership Coordinator: MYRIAM DUNCAN
Executive Assistant: DENISE BYERS
Legal Assistant: CHRIS BAZAR
Law Clerk: JILL E. BROWN
Executive Secretary: SHARON Y. MORGAN
Secretary: BONITA CARROLL
Congressional Liaison
 ROBERT M. BEERS
 RICK WEISS
Scholarship Programs
 DAWN CUTHELL
Face-to-Face Program
 STEVEN PHILIP KRAMER

The American Foreign Service Association, founded in 1924, is the professional association of the Foreign Service and the official employee representative of all Foreign Service employees in the Department of State and the Agency for International Development under the terms of the Foreign Service Act of 1980. Active membership in AFSA is open to all current or retired professionals in foreign affairs overseas or in the United States. Associate membership is open to persons having an active interest in or close association with foreign affairs who are not employees or retirees of the foreign affairs agencies. Annual dues: Active Members—\$52-117; Retired Active Members—\$40 for members with incomes over \$20,000, \$25 for under; Associate Members—\$35. All dues include \$9.50 allocation for JOURNAL and ASSOCIATION NEWS subscription under AFSA Bylaws. All AFSA members are members of the Foreign Service Club, owned by AFSA and operated by Pioneer Management, Inc.

AMERICAN FOREIGN SERVICE ASSOCIATION
 2101 E Street NW, Washington, D.C. 20037

Membership inquiries, comptroller,
 scholarship programs, insurance programs,
 JOURNAL offices: (202) 338-4045

Governing Board, general counsel,
 labor-management relations: (202) 647-8160
 member services, grievances: (202) 647-2548

Foreign Service Club: (202) 333-8477



People Moving Abroad Ask DISTRICT MOVING & STORAGE

What Do I Do With our German Schränk and Stereo?

Dear District Moving and Storage,

Stop the Music. I want to move on. On our way to our new post abroad—without the hectic problems with things we don't know what to do about that seem to plague us when we move. We want the move to be a waltz not rock and roll.

Signed Dancer and Prancer

Dear Dancer and Prancer,

If you refer to the section titled "Before the Packers Arrive," in our "New Assignment Abroad Checklist" you will find a helpful "tip" on what to do with things like your German Schränk, wallmounted bookcase and stereo.

The tip reads:

"Take apart and disassemble those articles of furniture and equipment which cannot be moved in assembled condition, and

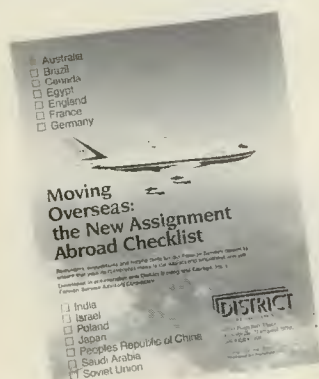
which you have particular care or concern about. You know your own articles best (with all their quirks and peculiarities in handling); it's better then, for you to do it, rather than a packer who may not understand its special characteristics."

That's just one of more than 60 "tips" in the checklist that foreign service people have followed and found that it helps them arrange their move into—well—a near rhapsody.

We believe you will find it useful through every phase of your move.

Roland Kates
Vice President

District Moving and Storage services the foreign service community throughout the Greater Washington area. Call or use the coupon below to receive your free checklist. (301) 420-3300. We have been making foreign service moves easier for more than 20 years. When it is time for you to move let us put our experience to work for you.



DISTRICT

MOVING & STORAGE, INC.

3850 Penn Belt Place
Forestville, Maryland 20747
301 • 420 • 3300

If you're interested in receiving District Moving & Storage's FREE "New Assignment Abroad Checklist". Please call (301) 420-3300 or fill out this coupon and send to: District Moving & Storage

3850 Penn Belt Place
Forestville, MD 20747

We're right on the beltway!

☐ Yes, please send me the free "Checklist" described above. I will be moving soon, and am anxious to make my next move as easy as possible.

☐ Send me labels I can use to assist me in my move.

☐ I am interested in more information about District Moving & Storage. Please have your representative call me at the number below.

Name _____

Address _____

City _____ State _____ Zip _____

Phone (D) _____ (E) _____

The best time to contact me is: _____

LETTERS

IRC's Loss

Brian Brumley's excellent article on Deputy Secretary John C. Whitehead [June] omits one aspect of Whitehead's career that tells much about the character of this extraordinary man: that for many years he was the president of the International Rescue Committee, resigning in 1985 when he was appointed to his present position. The IRC was founded in 1933 to help the victims of Nazism and has been assisting refugees from oppression ever since. Under the leadership of John Whitehead, Leo Cherne, and a number of other dedicated humanitarians, including retired Ambassador Cecil Lyon, it expanded its scope after World War II until today it works around the world, rendering emergency assistance in such trouble spots as Sudan, Thailand, and El Salvador, and resettling refugees in the United States and other countries of final asylum. In 1984, an appeal from Gene Dewey, former deputy assistant secretary of the Bureau of Refugee Programs and now Deputy United Nations High Commissioner for Refugees, was largely responsible for convincing John that IRC should break from its normal mandate and assist internally displaced persons within El Salvador.

Having taken employment with IRC upon my retirement from the Foreign Service in 1975, I was privileged to work with John Whitehead for nine years. He was no figurehead, but, even while managing Goldman Sachs as a full-time job, was actually involved in all aspects of our volunteer agency's operations, from fundraising to the selection of new projects. In February 1980 I traveled with him and the chairman of CARE to Pakistan to look into the needs of the two million Afghan refugees. When we met the elders in each camp, they expressed their gratitude but said that what they really wanted was modern weapons to fight the godless Russian invaders! John had to explain that IRC was not in that business, but could provide medical and other forms of humanitarian assistance. And, with the agreement of our executive committee, that is what we have been doing ever since. He made several additional visits in subsequent years to oversee and encourage the expansion of



The Charter House... The Only Retirement Community With the Ambiance of An Embassy.

The classic portico. The century-old Viennese grand piano. A world of traditional elegance. The Charter House...a rental retirement community for active seniors just moments from the nation's capital.

Amenity and Convenience

Gracious apartments. Gourmet dining. A fine library. And a growing population of diverse, exciting retirees who've travelled the world.

Convenient to all the Capital's attractions, The Charter House offers a full schedule of stimulating activities to fill your leisure time. You'll continue to enjoy the theatre, the arts, and all the familiar associations of the area. Metro is close by. And when you choose not to drive, The Charter House's own chauffeur makes scheduled trips to a wide variety of destinations.

Service and Security

One monthly fee covers your every comfort: Weekly maid service. Four-star dining with the former Executive Chef of the Watergate. A Wellness Center operated by the Georgetown University School of Nursing. And the peace of mind afforded by 24-hour security and on-site emergency medical personnel.

Financial Independence

The Charter House is a *rental* community, so *you* control your finances and make your own decisions.

But you'll have to hurry. These beautiful apartments are renting fast. More than 100 people are already enjoying the finest in retirement living at The Charter House.

Why not send in the coupon below or, better yet, call (301) 495-0700 for more information on The Charter House.

The CHARTER HOUSE

**YES! I'D LIKE TO KNOW
MORE ABOUT
THE CHARTER HOUSE.**

A planned rental retirement community.

Name

Address

City / State / Zip / /

Phone Marital Status Age

Mail to: The Charter House
1316 Fenwick Lane
Silver Spring, MD 20910
(301) 495-0700

#232



Clements & Company

Specialists in Insurance for the Foreign Service at Home and Abroad

Clements & Company designed the original insurance package policies for the Foreign Service. Today our auto and personal property policies are still comprehensive and competitive. And we settle losses directly and promptly through our own offices.

We created the Auto Physical Damage Package Policy and still offer it exclusively. It includes Marine coverage as well as Collision and Comprehensive.

We designed special package

policies for personal property including both "scheduled" and "unscheduled" items. Transit coverage is automatically included.

Our coverage follows your belongings around the world, at your post, and then home again, with no costly interruptions. (Call us then, for stateside insurance.)

Details about our exclusive policies are provided in our brochure, the *Foreign Property Policy Analysis*. Call or write Clements & Company today!



Clements & Company
1700 K Street, NW, Suite 900
Washington, DC 20006
Telephone: 202/872-0060
Cable: CLEMENTS/WASHINGTON
Telex: WUI/64514

this admirable program. (Perhaps, in his present position, John Whitehead may have more to say about the elders' original request.)

In 1981, he recommended that the IRC work in the remote Gedo region of Somalia, where about 700,000 refugees faced starvation. Those who came to implement the program amidst the dust, heat, snakes, scorpions, and flies were not altogether grateful for this decision, but the refugees were, and our doctors, nurses, and auxiliary personnel agreed that the camps of Gedo were the places that most needed our help.

As deputy secretary, John Whitehead has continued and broadened his interests in refugees, and I have no doubt that the humanitarianism and concern for the little people of the world that are a mark of his character have carried over into his official life. IRC's loss is the nation's gain.

LOUIS A. WIESNER

Foreign Service Officer, retired
Cambridge, Massachusetts

Charles Burrows

Charles R. Burrows: A man to be admired; A man dedicated to his career and country. From the time he entered as a vice consul, through his several posts, including his ambassadorship in Honduras, and until the day he passed on, he took with utmost seriousness, and gave excellent service to, the purpose and responsibilities of the Foreign Service. The foreign affairs issues of the day and the future were always his concern. How he could best contribute to their solution through his work while he was in the Service, and through his counsel after he retired, was always his interest. A memorandum he wrote while second secretary in Buenos Aires on a conversation with a Bolivian politician was the Department of State's clearest warning of a revolution to come in Bolivia. The stands he took while ambassador on the relations of U.S. companies with the Honduran government was a harbinger of realism and balance that gained him the support and respect of both the United States and Honduran governments, and also, in due course, of the companies. His counsel on Central American matters was sought and listened to in seminars, in embassies, in the State Department, in business, and by younger officers during the 17 years of his retirement.

A man equally dedicated to his family and friends: Who can doubt it who has seen friends still coming to that home as a first welcome place on trips to Washington from Bolivia, where the Burrows so

Official Residences, Inc.

Your Washington, D.C. Address

Official Residences, Inc. is a concept in congenial accommodations beyond the realm of hotels. The residences consist of condominiums and townhouses in several popular neighborhoods, within walking distance to the White House, the Department, Capitol Hill, and other important addresses. Ranging from 1 Bedroom to 2 Bedrooms with 2 baths, they feature some with HBO, hot tub, microwave; most with woodburning fireplace; and all with fully equipped kitchen, washer/dryer, parking, telephone, color TV and other amenities. Reasonable DAILY rates. Most major credit cards. (202) 824-9833

"Insuring the furnishings you move overseas calls for Security."

Paul Wood, Manager, Insurance Division has worked with Security since 1956.

"Storing the valuables you leave in Washington also calls for Security."

Roland Showalter, Vice President Overseas Division, joined Security in 1947.

When you're posted abroad, you can insure household goods in-transit or at your overseas residence—at special low rates.

Security's Government Service Policy covers furnishings and personal effects including automobiles anywhere outside the U.S. Call Paul Wood at (202) 797-5625.

You can store rugs, furs and clothing in temperature-controlled Security—at government expense. And, you can give your valuables and art the Security of a bank vault. Call Roland Showalter at (202) 797-5679.

Your move overseas calls for the expertise of the world's most experienced moving and storage company.

Since 1890
Security
MOVING & STORAGE
(202) 234-5600

1701 Florida Avenue NW Washington DC 20009

AMERICAN PAPERBACKS

Enjoy Our Unique Book Mailing Service

- Monthly newsletter lists 300 new releases
- Featuring mass-market and trade paperbacks
- Categorized by subject with brief reviews
- Order your selections for immediate shipment
- Special requests for any book honored
- This is not a book club — no purchases required

Subscribe today — enclose check or money order for \$10.00

APO-FPO (\$18.00 foreign) for one full year to:

THE COMPLETE PAPERBACK SHOPPER

P.O. Box 233, Kenilworth IL 60043

Name _____

Address _____



Est. 1974

Grab a new lease
on life-style.

The St. James offers the finest in furnished accommodations and services, with the amenities of a premiere Washington residence.

Located in the quiet residential neighborhood of Foggy Bottom, the St. James, at the corner of 24th & K Streets, offers a totally new concept in long- and short-term residential leasing. This elegant all-suite residence provides daily maid service, Concierge service and travel planning assistance.

The St. James is ideal for individuals and organi-

zations, who frequently entertain out-of-town guests and executives. Overlooking Washington Circle, just one half block from Metro Rail.

Now leasing: long- and short-terms at extremely attractive and flexible rates. For more information, and a tour of our model units, call our sales office at 223-2202.

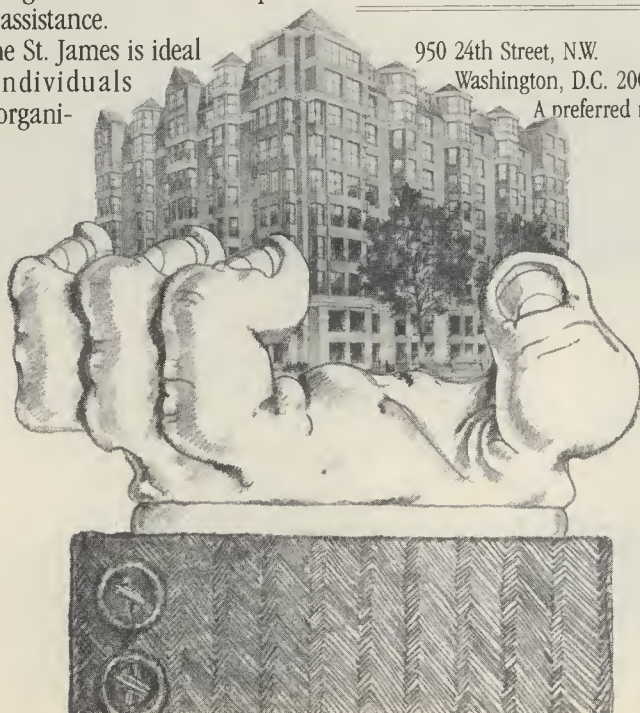


St. James

950 24th Street, N.W.

Washington, D.C. 20037

A preferred residence.



thoroughly enjoyed their first post together beginning 46 years ago?

A man of extraordinary spirit: After over forty years of gradually declining health and strength, with Lucy supporting him, he never stopped planning for future activities—trips, social events, and, yes, also still work.

Chuck Burrows honored, and gave honor to, the Foreign Service, and later to the business for which he worked, to his family, to his friends, and to his country. We honor him now.

SAMUEL D. EATON

Foreign Service Officer, retired
Washington, D.C.

We said farewell to one of the most exemplary of Foreign Service officers when we attended the funeral of Chuck Burrows on September 9. He was successful in continuing a productive, active life while struggling courageously against the creeping inroads of muscular deterioration. His stout character, and the unstinting ability, encouragement, and help of his wife, Lucy, enabled him to carry out superbly all of his assignments in seven Latin American capitals, in Manila, and in the Department of State—a career of 30 years. Moreover, after four years as ambassador to Honduras, he energetically continued his sincere interest in Latin America as a business representative and consultant for 17 years right up to the end of his life at the age of 76.

Chuck was an example in many ways other than his determination to overcome a physical handicap. He showed calm good judgment and good nature in every situation that confronted him. He was able to find the better qualities in all with whom he worked; this helped him to adjust quickly to the most abrupt political and economic upheavals. It has been impressive to witness the active, enduring friendships that Chuck and Lucy have enjoyed with the people of the countries where they served many years ago.

Chuck Burrows was indeed a warm friend and an inspiring character.

ROBERT F. WOODWARD

Foreign Service Officer, retired
Washington, D.C.

The JOURNAL welcomes letters from its readers and reserves the right to edit for clarity and length. We do not accept anonymous letters but we will consider withholding the author's name on request. All correspondence should be addressed to: Foreign Service Journal, 2101 E Street N.W., Washington, D.C. 20037.

A world class design makes Taurus a very diplomatic solution to your transportation needs.



As you pull into the driveways of various consulates, you'll have them wondering where, exactly, did your new Ford Taurus come from. Some may even insist it's a product of their country—that is, until they see the familiar blue oval on the back.

Taurus: A new American design philosophy.

Even as the first engineers began work, over 400 specific objectives were being established for Taurus.

The list was based on how you drive an automobile... what you want from it... what you need from it. The list included: How comfortable the seat belts are to wear; the effort required to open and close the doors; the convenience of checking the oil.

By designing each individual component and feature to be easier and better for you to use, the result is a better-designed vehicle overall.

The result is a new line of front-wheel-drive sedans and wagons that combine advanced technology with human need. Even its aerodynamic shape is part of its dedication to function. Which means you can judge Taurus not only by how good it looks, but how well it works.

So if your aim is to please just about everyone, and still please yourself, consider the new Ford Taurus. A very diplomatic solution to your transportation needs.

DIRECT MARKET OPERATIONS



Please send me information to purchase a new _____

WRITE TO: DIPLOMATIC SALES

FORD MOTOR COMPANY

815 Connecticut Avenue, N.W.
Washington, D.C. 20006

Tel: (202) 785-6047

NAME _____

ADDRESS _____

CITY _____ STATE _____

COUNTRY _____ ZIP _____

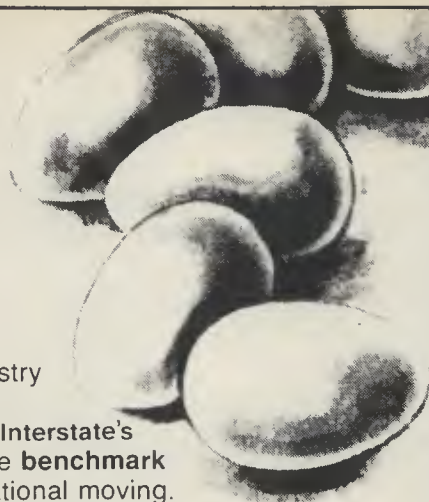
You Can Put All Of Your Eggs Into One Basket With Interstate!

We are the only carrier in the industry that trains every packer and every mover . . . every day! This is why Interstate's service standards have become the **benchmark** for quality in interstate and international moving. You may also store your valuable possessions in temperature-controlled secured facilities while you are abroad. You have the choice! You have the right and you deserve it! Next time make the right move with the knowledge that you are in the best trained hands in the business.

In A Class By Itself . . . America's Favorite Mover!



5801 Rolling Road, Springfield, VA 22152-1041 • (703) 569-2121



BOOKS

Reviews

Morality, Reason, and Power: American Diplomacy in the Carter Years. By Gaddis Smith. Hill and Wang, 1986. \$18.95

Gaddis Smith—a well known historian of U.S. diplomacy during and after World War II—begins this book by noting that national security debates during the Carter administration were not only vigorous but touched on the most fundamental issues in the conduct of American foreign policy. He might have added that the intellectual debate of the late 1970s presaged much of what has occurred under the Reagan administration, in which many of his critics took up key positions. A reexamination of the Carter period offers a useful introduction to contemporary issues.

Smith's story is simple enough. An idealist and moralistic politician—elected primarily for his promise of domestic reform—enters office with a vision of U.S. diplomacy that transcends the old divisions of the cold war and addresses a range of global issues. Unfortunately, his own naivete and the rush of uncontrollable events forces him to abandon this noble vision for a more traditional cold war view. But *Morality, Reason, and Power* never really progresses beyond this oversimplified and superficial recounting of what happened during the Carter years. This results from weaknesses in both the book's structure and its underlying research. Smith eschews a chronological account, preferring to provide topical chapters on the Soviets, Africa, Latin America, the Middle East, the hostage crisis, and the invasion of Afghanistan. The result is unnecessary repetition and conceptual fuzziness. It is a schemata masquerading as analysis.

The author relies almost exclusively on memoirs and wide but selective reading in secondary accounts. Surprisingly, he has not supplemented these with documents or interviews, even when such material is readily available (e.g., the Grenada documents published after the October 1983 liberation, which Smith chooses to call a U.S. military takeover). Readers looking for new insights will be disappointed because the book is based on material that has been in the public domain for some

FREE SQUASH* MEMBERSHIPS FOR AFSA MEMBERS



AFSA members can now play squash at the Capitol Hill Squash Club without paying any membership or initiation fee. By simply showing your AFSA membership card, you will pay only the court fees at Capitol Hill's most luxurious fitness facility. Located only a block from the Capitol South Metro stop, the Club also offers free use of changing rooms, showers, and saunas before and after playing squash. *There is a \$20 annual processing fee; some restrictions apply.

Capitol Hill Squash & Nautilus Club
214 D Street, S.E. • (202) 547-2255



The Central Intelligence Agency

A Photographic History

The Central Intelligence Agency shows the importance of the agency and its various methods of gathering information. The history of intelligence and William Donovan's mysterious travels before World War II introduce the book. Some of the book's highlights are the early cold war years, the emphasis on technology, human intelligence and the alleged abuses the agency was accused of during the 1970's, recently declassified information and how the CIA functions in a democracy.

First-published interviews with: Richard Bissell; William Colby; Admiral Stansfield Turner; Leo Cheme of the President's Foreign Intelligence Advisory Board; David Atlee Phillips; former Station Chiefs of the OSS and CIA; and General Eugene Tighe of DIA.

Special features include:

- A Who's Who of the CIA
- PFIAB
- A CIA Glossary
- The Clandestine Services Today
- KGB Watchdogs
- Science and Technology
- William Casey's CIA Today

This first-published photo journal contains hundreds of previously unpublished photos of personalities, buildings and operations. It also contains the first detailed organizational information and how the CIA functions abroad and in its accelerated role of informing Presidents and Secretaries of State.

Also included are chapters on America's other "spy" agencies and portraits and biographies of CIA Directors.

Foreword by the Honorable Richard M. Helms, former Director Central Intelligence.

Author: John Quirk; **Consultants:** David Phillips, Dr. Ray Cline, Walter Pforzheimer; **Advisors:** Tom Polgar, William Mulligan, Herbert Saunders, Tom Troy, Hans Moses, Samuel Halpern.

ISBN: 0-89568-500-0
256 pages in color

Bookjacket and hardback
embossed cover (8½ x 11)

PRICE: \$39.00 (books shipped within 24 hours)

TO ORDER: Foreign Intelligence Press
42 Boston Post Road / Guilford, CT 06437 / (203) 453-8579



- a challenging academic program
in an atmosphere which fosters integrity,
responsibility and creativity

SANDY SPRING FRIENDS SCHOOL

•BOARDING grades 9-12 •DAY grades 7-12 •CO-ED
•ACCELERATED academic curriculum •QUAKER values
•SMALL classes •ADVANCED placement courses
•ENGLISH as a second language •SEMINARS
•FINE ARTS & Sports programs •INDEPENDENT studies
•135-ACRE campus

**OPEN HOUSE
NOVEMBER 8
2:00-5:00 p.m.**

-We value and welcome the diverse re-
ligious, ethnic and cultural origins of
our students and faculty.

**(301) 774-7455
16923 Norwood Road
Sandy Spring, MD 20860**

Call for any current book

- Amex, MasterCard, Visa or check.
- We ship immediately, anywhere in the world.
- Gift wrapping available.
- Mail orders welcome.
- Write or phone for free holiday gift catalog.



1-800-255-2665

In CT or Worldwide (203) 966-5470

59 Elm Street, New Canaan, CT 06840



IRAHETA & CO.
California Trading Co.

**California
Wines**

Tabla
Premium
Select

IRAHETA & CO. WORLD WIDE DELIVERY

Assorted Shipments Our Specialty

Wines • Champagnes • Wine Cooler • Mineral Water • Natural Juices

Write to:
Carlos A. Iraheta
2409 Ensenada Way
San Mateo, CA 94403

(415) 670-6545
Telex 287316

time, and Smith offers no dramatic reinterpretation.

The book's most serious flaw, however, is its failure to provide a full and fair account of the debate it claims to chronicle. The views of Richard Pipes, Jeanne Kirkpatrick, Carl Gershman, Bayard Rustin, and others are caricatured rather than criticized. The differences between Zbigniew Brzezinski and Cyrus Vance are always cast in personal terms or reduced to a crude dispute between rationality and the desire for power. Both men deserve better.

Finally, there is a disturbing bias to this book. The author decries the combative, nationalistic policies that he believes Carter eventually adopted and that, by implication, Reagan is continuing. Yet, he never spells out what alternatives he believes existed and how they would have better served the national interest. He accomplishes this, in part, by consistently putting the best face on Soviet behavior throughout the 1970s and ridiculing those who perceived Soviet actions as threatening U.S. interests; yet, he does not come to grips in any way with the geopolitical arguments they raised. He cites Raymond Garthoff's massive study in support of his assessment and simply ignores the work of Adam Ulam, Harry Gelman, Dimitri Simes, and others who have a more critical view of the Soviet Union's contribution to the unraveling of détente.

Contemporary history is a worthwhile endeavor, and Smith's objectives in providing an early assessment of the Carter administration are laudable. Unfortunately, serious readers will have to wait for a more fair-minded and sophisticated point of departure before drawing conclusions about the Carter years. —ERIC EDELMAN

**State Politics in Contemporary India:
Crisis or Continuity? Edited by John R.
Wood. Westview Press, 1985. \$20**

A cursory listing of the most serious problems facing India's state governments today would have to include the following: the effects of rampant corruption, absence of effective leadership in many states, increasing Hindu-Moslem bitterness (especially in western India), and strained relations with the central government in New Delhi. Yet this collection of academic papers only sometimes addresses these and other, equally serious issues. The book suffers from a major fault of its genre: overspecialization. Although Wood tries to impose some coherence in his opening chapter, each of the following chapters deals only with the narrowly focused research of the author.

Here and there, something of wider interest appears. Paul R. Brass's article about agrarian politics in Uttar Pradesh from 1952-77 deals largely with the rise of former Prime Minister Charan Singh in that state and goes far toward explaining the enduring political appeal of a man of such meager talents. Harry W. Blair's article on agriculture in Bihar finishes with an enlightening analysis of caste politics in that unfortunate state.

But there is as much chaff as wheat. Blair's article begins with a mass of impenetrable statistics that will keep all but the most determined from reaching his thoughtful conclusions. Ouseph Varkey's chapter on the rise and decline of the left in Kerala reads like the sort of empty political reporting that fills the columns of too many of India's daily newspapers: every political backstab and betrayal faithfully reported, with scarcely a word of explanation about why anyone should care. Overall, the collection is convincing proof that political science is too important to be left to the political scientists. —PAUL S. BERG

The Liberation of One. By Romauld Spasowski. Harcourt, Brace Jovanovich, 1986. \$24.95

This is a disappointing book. Romauld Spasowski, long-time Polish Communist Party hack, deputy foreign minister, and, at the time of his defection in December 1981, ambassador to the United States, is uniquely equipped to provide a penetrating political analysis of the Polish People's Republic. Instead he presents a long account of his life and times, only occasionally with interesting anecdotes. Throughout, the stress is on people rather than policies. The reader seeking insights into contemporary Poland will be dismayed to find that Spasowski devotes more pages to his youth before and during the war than to the critical period, 1970-81.

As a personal story, *The Liberation of One* is a tale of bitter disillusionment with the Soviet Union, the Polish party, and, ultimately, with communism, culminating in an ideological U-turn and a decision to leave Poland forever. The conflict between Spasowski's career and his conscience began in 1948, soon after joining the party, when he participated in a purge of the Foreign Ministry. It continued for the next 33 years, sharpened by events in Poznan in 1956, Prague in 1968, Gdansk in 1970, and his son's suicide two years later. The imposition of martial law in 1981 was the last straw. Despite earlier claims that "I was no opportunist, and would never be," and that "if the country began to sink into

calamity while Wanda and I were in Washington...we would not flee a sinking ship," Spasowski took to the lifeboats, to be rescued by an administration delighted with the propaganda coup of his defection. At the end of a brilliant career, and faced with the alternative of retirement in a submerged Poland, Spasowski timed his liberation well.

—DESMOND DINAN

OPEC and the Third World: *The Politics of Aid.* By Shireen Hunter. Indiana University Press, 1984.

OPEC and the Third World, originally written for a doctoral program, is a thesis of the obvious: OPEC aid is governed by its members' self-interest, not the promotion of a Third World goal of a new international economic order. In short, OPEC countries behave like all others.

OPEC has one overriding purpose: maximizing the economic returns to its members from the production of oil. To gauge OPEC aid performance, as the author does, by the degree of adherence to the NIEO ideal is to erect a straw man. Hunter's argument is further flawed by her implicit assumption of common, accepted principles for Third World economic policy and action; she treats deviation as a lapse from grace. Had she eschewed this approach for a more graphic description and analysis of what OPEC countries have done with their largesse—buying domestic tranquility, for example—the results would have been fascinating. As it is, *OPEC and the Third World* is removed from the questions faced in the real world.

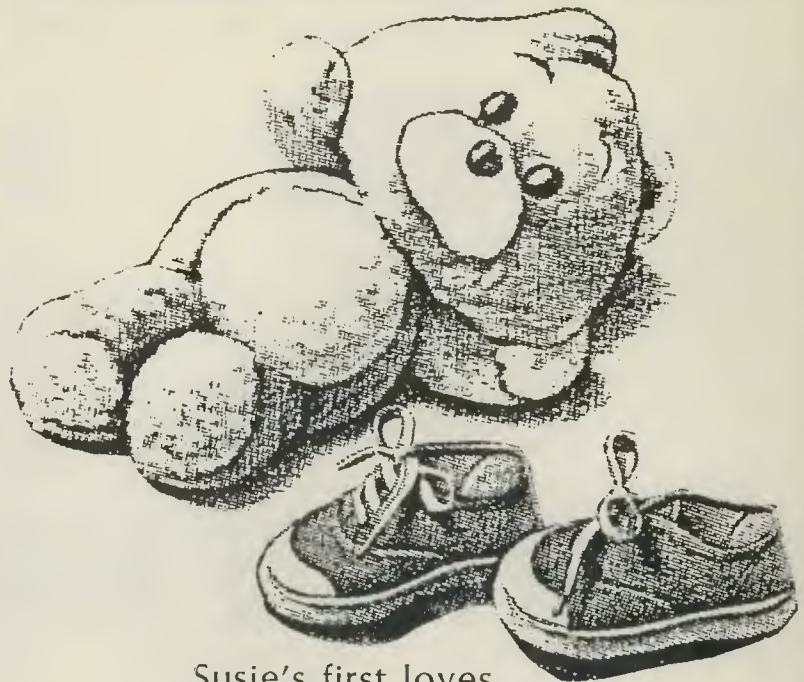
It might have been wiser not to treat all of OPEC in one book. Being both an OPEC and a Third World member has little to do with what, how, or why aid is provided by a country. In any case, the sharp decline in oil prices is undoubtedly shrinking the role of OPEC aid, making some of the book's concerns moot.

—MILES G. WEDEMAN

The Dismantling of the Good Neighbor Policy. By Bryce Wood. University of Texas Press, 1985. \$27.50.

The author has left few files, official or personal, unturned in making the point that the restraint and multilateralism implicit in the Good Neighbor Policy served the United States and Latin America well. He employs painstaking scholarship in his analysis of the period, from the problems with a fascist-sympathizing Argentina during World War II through those posed ten years later by a leftist government in Guatemala, a situation that precipitated a

"It's Important to All of Us."



Susie's first loves.

Whether you're taking your belongings with you to your next Foreign Service assignment or having them stored while you're away, trust in Guardian Storage. You will be impressed with the quality of service displayed by our staff.

Guardian's experience, thoroughness and care ensure the most delicate handling of all your possessions.

At Guardian, "It's important to all of us."



GUARDIAN STORAGE, INCORPORATED

OLD WASHINGTON ROAD, WADSWORTH, MARYLAND 20601 • TEL. (301) 645-4040 • (WASH. TOLL FREE) 843-6606

Coming home—Going overseas?

Buy from the
Washington area's largest
AMC
Jeep • Renault
Dealer

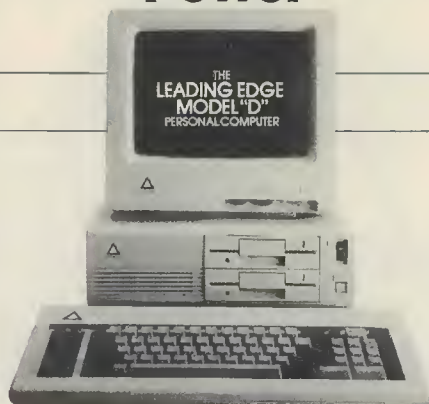
COURTESY
AMC • Jeep • Renault

755 Rockville Pike, Rockville, Md. 20852



Choose from our complete line of 4-wheel drive Jeeps, AMC Eagles—plus the new Renault Encore and Alliance. Local or overseas delivery. Diplomatic corps discounts. Daily and weekly rentals available. Phone or write Christopher Zourdos (301) 424-1700

Professional-Level Power



All major credit cards accepted.



SOFTGRAF USA

VAN DORN PLAZA, Alexandria, Virginia 22304

Hours: M-F: 10-9, Sat: 10-6, Sun: 12-5

Phone: (703) 370-5000

Telex 904059

The Intelligent Alternative to Overpriced Hotels.

Now you can enjoy more than twice the living space of an ordinary hotel room at less than one-half the cost.* And still have all the services and luxuries you need: 24-hour switchboard, maids and linens; outdoor swimming pool and whirlpool; indoor Health Club with sauna; Computer Room and Conference Room with catering kitchen. There's a complimentary Continental breakfast. Children and extra guests are welcomed and there is no charge for parking. All located off Washington Boulevard opposite Fort Myer and minutes from the District, the Pentagon, Crystal City and National Airport.

If you are transferring into the Washington area or are here temporarily on company or government business, call The Executive Club today. You can take advantage of our reduced Grand Opening rates while you enjoy a full sized apartment suite.

The Executive Club Arlington

108 South Courthouse Road
Arlington, Virginia 22204

(703) 522-C L U B

(800) 535-C L U B

Brokers Welcomed

*Based on minimum 30 day lease.

return to unilateralism and intervention. He deplores the demise of the policy and has some harsh words for those responsible, above all the Dulles brothers, but including President Eisenhower.

Wood is also critical of all the presidents following Eisenhower for their failure to return to the principles of the Good Neighbor Policy. Had he not died recently, the author's voice surely would have been among the loudest in support of the Contadora process (which is consistent with how he would have wished the Guatemala crisis of the 1950s to be handled).

The book has a quality of nostalgia for simpler days and traditional diplomacy that is of limited relevance to the conditions that have prevailed in the hemisphere—and the world—in recent decades. To have endured, the Good Neighbor Policy would have required the existence of a true community in the western hemisphere, one with shared values, institutions, and interests. What we have learned in the past few decades is that such a community is, and always has been, largely a myth. The last six U.S. presidents may not have been wrong after all.

—LAWRENCE E. HARRISON

By Our Readers

Franco: Silent Ally in World War II. By William L. Beaulac. Southern Illinois University Press, 1986. \$24.95. According to the author—counselor of embassy in Spain during World War II—Spain's pro-German stance during the war was in fact that country's only defense against the Nazis, and concealed pro-Ally sympathies. Franco consistently avoided Hitler's demands that Spain join the war, pleading that Spain's resources were depleted during its civil war. Yet Spain's pro-German posturing caused Hitler to avoid attacking Gibraltar immediately after the fall of France, a mistake that possibly changed the outcome of the war. And because Spain did not help—and may in fact have hindered—Germany, it continued to have favor with the Allies, without whose economic assistance Spain might not have been able to survive the war.

The Hellenes. By Basil Constantine Rodes. Carlton Press, 1985. \$10.95. Rodes, a retired Foreign Service officer, records the life of the Greek people in chronological order from the Neolithic period to the present day. The book is a historical guide to the origin, incursions, migrations, wars, and accomplishments of the Hellenes. Based on a number of classical works, it is a comprehensive reference to the events that have marked the Greek culture.

A MEMBER OF THE
SEARS FINANCIAL NETWORK

**COLDWELL
BANKER**

REAL ESTATE

YOU CAN COUNT ON US FOR
Top Quality Residential
PROPERTY MANAGEMENT
throughout the
Washington metropolitan area
(703) 556-6100

Coldwell Banker, America's largest full service real estate company, has provided superior management to absentee owners since 1933. Our full-time staff of expertly trained property managers is ready to serve *your* needs from seven convenient locations.

—Our Services Include—

- COMPLETE TENANT SCREENING
- ON-SITE PROPERTY INSPECTIONS
- MONTHLY STATEMENTS
- YEAR-END TAX STATEMENTS
- PROMPT DISBURSEMENT OF PROCEEDS TO OWNERS
- DEPENDABILITY AT COMPETITIVE RATES

Call us today!
or mail the enclosed coupon



YES! I would like more information on Coldwell Banker's Property Management services and related fee structure.

NAME: _____

ADDRESS: _____

RENTAL PROPERTY: _____

TELEPHONE #: () _____

Mail to: Coldwell Banker Residential Property Management Department c/o
Executive Offices, 1953 Gallows Road, Suite 650, Vienna, VA 22180

**FSOs, EXECUTIVE AND PROFESSIONAL RETIREES—
THIS MAY BE EXACTLY RIGHT FOR YOU!!!**

Experience retirement living with...

- a relaxed country club atmosphere;
- no initial investment, you pay by the month
- maintenance-free living;
- excellent dining with sophisticated companions;
- around the clock switchboard services;
- private, ranch-style apartment, furnished by you;
- easy access to cultural activities, golf courses, interesting shopping and first-class medical facilities.

Enjoy living in the lovely town of Ojai with its quaint shops, golf courses, nationally recognized cultural events, many organizations and churches, and excellent medical facilities.

Celebrate living in the best of Southern California weather, high mountain scenery above the nearby Pacific waves.

Come spend a few days with us. You will see our beautiful campus with its ranch style apartments, charming dining room, heated swimming pool, hobby and game room, and complete housekeeping and linen service.

Life is rich and full when you live at
GREY GABLES.



GREY GABLES...A stimulating atmosphere for retired FSOs, educators, executives and other professionals who discover that Grey Gables, a not-for-profit organization licensed by the State of California, is the "best buy" in exciting retirement living.

For additional information, complete and return the coupon.

Return to:

Grey Gables of Ojai
701 N. Montgomery St.
Ojai, CA 93023

Telephone:
805-646-1446

Name _____

Address _____

City _____ State _____ Zip _____

Telephone () _____ ☐ Descriptive brochure

☐ Visitation information

Grey Gables of Ojai is not sponsored by, affiliated with or in any way related to the American Association of Retired Persons or the National Retired Teachers Association.



"There was the door to which I found no key...."

Edward Fitzgerald

ATTENTION... PEOPLE on the MOVE...

We specialize in sales and property management in the Metropolitan Washington area.

Cathie Gill has the key to care-free services for all your real estate needs.

**Personal attention
gets results.**

Call

Cathie Gill, Inc.
REALTORS®

**4801 Massachusetts
Ave., N.W.
Suite 400
Washington, D.C.
20016
(202) 364-3066**

PERIODICALS

By MICHELLE MAYNARD

"Back From the Brink." By McGeorge Bundy, Morton H. Halperin, William W. Kaufmann, George F. Kennan, Robert S. McNamara, Madalene O'Donnell, Leon V. Sigal, Gerard C. Smith, Richard H. Ullman, and Paul C. Warnke. *The Atlantic Monthly*, August 1986, Vol. 258, No. 2. By adopting a policy of no-first-use of nuclear weapons, the United States would enhance U.S. and allied security and reduce the threat of nuclear confrontation, conclude these ten authors. They propose that the United States base its military plans, budget, training, deployments, and arms control positions on the premise that it will not initiate the use of nuclear weapons.

Such a policy would contribute to security in several ways, according to this group: It would reduce the risk that nuclear weapons would be used in the heat of a crisis; reduce the political tensions that give rise to such crises; and improve the operational effectiveness of the currently vulnerable conventional forces.

If no-first-use were adopted, it would require some changes in current nuclear strategy. There would no longer be a rationale for deploying highly vulnerable systems such as the MX. Targeting criteria would change—systems required to destroy hard targets would not be necessary. The United States would be less reluctant to trade away destabilizing systems for equivalent Soviet weapons.

"Uniqueness and Pendulum Swings in U.S. Foreign Policy," By Geir Lundestad. *International Affairs*, Summer 1986, Vol. 62, No. 2. Americans tend to think that their foreign policy is unique, writes Lundestad. In fact, it has been set apart by its tendency toward wide pendulum swings. These have been particularly evident in U.S.-Soviet relations and defense spending.

Because Americans tend to see things in black and white, the swings are especially wide, perhaps even wild. They are also influenced by the nature of American party politics, the often antagonistic relation-

ship between the executive and legislative branches, and the politicized nature of foreign policy personnel in the executive branch. Many presidents are determined not to repeat their predecessor's mistakes and so are quick to make policy changes.

"Are We Moving Toward a New Foreign Policy Consensus?" *The National Interest*, Summer 1986, No. 4. Five commentators—Richard Holbrooke, Martin Peretz, Norman Podhoretz, Robert Tucker, and Paul M. Weyrich—consider the likelihood of a new foreign policy consensus emerging and, for the most part, take a pessimistic view.

Holbrooke believes that the so-called bipartisan consensus never really existed, except on a few key issues. In the past few years, there have been signs of an emerging convergence on the subjects of U.S.-Soviet relations and U.S. policy toward the Third World, particularly Nicaragua, South Africa, and the Philippines. But since those on both sides of the issues—but especially on the far right—have set themselves up as enforcers of a true faith, the obstacles to achieving consensus are large.

Peretz believes that a bipartisan consensus guided foreign policy until it foundered over Vietnam in 1967. But the rebuilding of that consensus is blocked on both the left and the right. The far left, in particular, acts as a veto on mainstream Democrats. Yet without consensus, policymakers cannot respond decisively to strategic challenges.

Podhoretz also regards a new consensus as impossible to achieve. Instead of evading important issues (such as the Soviet threat) in hopes of creating a consensus, policymakers should discredit the opposition and defeat them at the polls.

The cold war consensus centered on Europe, writes Tucker. The newly emerging consensus centers on the Third World—the area where the old one broke down. The new arrangement is likely to be more restrictive than the old, with greater checks on the executive branch's powers.

The most optimistic of the authors is Weyrich, who sees evidence of a new consensus in the broad public support for U.S. actions against Libya and in Grenada, for the president's Strategic Defense Initia-

Michelle Maynard is a research associate at the Institute for the Study of Diplomacy, Georgetown University.



FOREIGN SERVICE PERSONNEL WORLDWIDE PERSONAL PROPERTY INSURANCE FLOATER

underwritten by London insurers
and exclusively administered by

HUNTINGTON T. BLOCK INSURANCE

2101 L Street, N.W.
Washington, D.C. 20037
Telephone 202/223-0673
Toll free 800/424-8830

Call from anywhere in the United States toll free or write our Overseas Department for information about our low rates, our broad coverage, with optional **REPLACEMENT COST COVERAGE** without depreciation, and our on the spot claims service by representatives posted in every major city in the world.

FARA HOUSING

TEMPORARY APARTMENTS, THE ALTERNATIVE TO A HOTEL ROOM

Tastefully Furnished:

Efficiency, One and Two Bedroom apartments, located in the **Columbia Plaza**. One block from the **Department of State**.

Daily Rates or, a special

Discount Rate for stays of 30 days or longer.



- Color TV, Private phones with **Answering service**
- **Full Kitchens** (Save money, Eat in)
- **Maid Service**
- Coin operated **Laundry**
Off street **Parking** available

No Charge for Children Under 18 When Accompanied by Parent(s)

RESERVATIONS: FARA HOUSING, Room 2928, Dept. of State
Washington, D.C. 20520

CALL: (202) 463-3910 Hours: 8:00–4:30, Mon.–Fri.

DATSUM Triumph VW VOLVO MG FIAT BMW ALFA ROMEO MERCEDES FREE! NEW CAR CATALOG BUY DIRECT

The comprehensive NAI Master Catalog contains 32 pages, over 150 illustrations, DIPLOMATIC and FACTORY tax-free prices, equipment, options, colors, and all the details on how to order your car at these special savings.

The Nemet Organization has been meeting the needs of Americans throughout the world since 1916. You will have your car, waiting where you want it, STATESIDE OR IN EUROPE—when you want it, all serviced and ready to go at special factory prices.

Buy your new car from Nemet because we'll be here when you get home.

Please send me a FREE copy of your 32 page Master Catalog. FSJ-1281

I am interested in: ☐ Stateside Delivery ☐ European Delivery

☐ AUDI ☐ MG ☐ RENAULT
☐ BMW ☐ MERCEDES ☐ TRIUMPH
☐ DATSUM ☐ PEUGEOT ☐ VOLKSWAGEN
☐ FIAT ☐ PORSCHE ☐ VOLVO
☐ JAGUAR

Name _____ Rank _____

Social Security No. _____ Date of Birth _____

Address _____

Date of Rotation _____

Delivery Place _____

Nemet Auto International

World's Largest Distributor of Tax-Free Cars

153-03 Hillside Avenue, Jamaica, New York 11432

Telephone (212) 523-5858 / Cable NEMETAUTO

Toll Free 800-221-0177

SHOP IN AN AMERICAN DRUG STORE BY MAIL!

An ice cream soda is one of the few items we cannot mail. Drugs, cosmetics, sundries mailed to every country in the world. We maintain permanent family prescription records. SEND NO MONEY — pay only after satisfactory receipt of order.



Morgan Pharmacy™

3001 P Street, N.W.
Washington, D.C. 20007

tive, and for aid to anti-communist freedom fighters, most notably in Afghanistan. The United States has been paralyzed by the Vietnam legacy for too long; policymakers need to build upon the emerging consensus and provide effective leadership.

"Reflections on Terrorism." By Walter Laqueur. *Foreign Affairs*, Fall 1986, Vol.65, No.1. While it is true that state-sponsored terrorist incidents have increased during the last decade, many analysts have magnified terrorism's importance, according to Laqueur. Today's incidents are more frequent because terrorists are more brazen in their attempts to reveal the impotence of democracy.

Laqueur notes that as long as terrorism is no more than a nuisance, democracies will correctly resist attempts to combat it through curtailing traditional freedoms. Once terrorism threatens to upset the normal functioning of society, however, there is greater pressure to use any effective means to defeat terrorism.

This illustrates, however, that a real solution to the problem is not readily available. Democracies are likely to be reluctant to take the steps required to eradicate terrorism, while full international cooperation appears to be a hopeless prospect. Nor should we harbor illusions that terrorism can be solved by examining the roots of conflict. Despite these obstacles, complacency is also dangerous. Various steps can be taken to at least alleviate the impact of terrorism: retaliation in kind, diplomatic action, economic sanctions, and escalation. But since each response has drawbacks, the inclination is to wait and see.

"Trade Sanctions as Policy Instruments: A Re-examination." By James M. Lindsay, *International Studies Quarterly*, June 1986, Vol.30, No.2. Most studies of trade sanctions determine success or failure in terms of whether the target country is forced to change its policies. Lindsay, however, analyzes the success of sanctions in terms of a broader set of goals—compliance, deterrence, and symbolism—and draws three conclusions.

First, since the cost is often not high enough, sanctions usually fail when the goal is compliance, subversion, or deterrence; they do have more symbolic appeal, however. Second, sanctions often reinforce the target's behavior by increasing its political cohesion and may reduce the initiating country's future economic leverage over the target by souring the environment for trade. Third, achieving symbolic goals—which requires publicity and high visibility—often undermines the achievement of compliance or subversion.

Ease the transition with a suite solution.

Now, for the price of a typical room at another area hotel, your relocating staff can enjoy all the comforts of home in a beautifully appointed suite.

The Residence Inn hotel is a quiet enclave of garden-style buildings just off Route 7, near the entrance to the Dulles Access road.

All suites have private entrances, separate living, dining and sleeping areas and fully equipped kitchens complete with cooking utensils and tableware.

Executive suites sleep four. Penthouse suites with loft bedrooms sleep six. Children and small pets are welcome.

Complimentary extras include daily breakfast, newspapers, a grocery shopping service and much more.

When you do business with us, you'll always receive prompt, professional attention from a Manager, never a "middleman." And, best of all, the longer the stay, the less it costs per day!



A New Kind of Hotel.™

8616 Westwood Center Drive
Tysons Corner, Virginia 22180

893-0120 for reservations and information
Toll-free (800) 331-3131

The school that comes to your child.

Complete home-study course for elementary-level students. Kindergarten through 8th grade. An American education anywhere in the world. Ideal for enrichment. Home is the classroom, you are the teacher with Calvert's approved instruction guide. Start anytime, transfer to other schools. Used by over 300,000 students. Non-profit. Write for catalog.

CALVERT SCHOOL

Established 1897 301-243-6030

Dept. F-116, Tuscany Rd., Baltimore, MD 21210

Parent's Name _____

Address _____

City _____ State _____ Zip _____

Child's Age _____ Grade _____

Admits students of any race, color, national or ethnic origin.

DIPLOMACY

Creating a Constituency

By DIEGO ASENSIO

Most members of the Foreign Service regard themselves as the nation's first line of defense. To the extent that our country pursues successful foreign policies through diplomatic means, they believe, U.S. interests will be protected and the risks of conflict diminished.

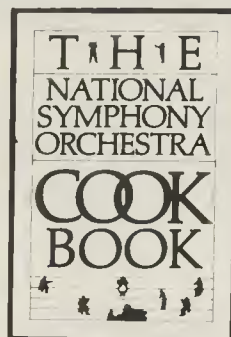
And most reasonable and knowledgeable participants in foreign affairs will readily admit that the Service performs vital functions of great benefit to the country. The various private international relations organizations—such as the Council on Foreign Relations, the World Affairs Council, and the Foreign Policy Association—provide a solid audience of interested observers, who are also generally aware of the contributions made by the Foreign Service.

But because the members of the Service spend most of their careers abroad, the public at large remains woefully ignorant of their contributions. Consular officers, for example, spend the majority of their time dealing with applications by non-Americans; only a small portion of their activities bring them into direct contact with U.S. citizens. Even those serving in Washington have little opportunity to mix with mainstream America. A few members have participated in public outreach programs, but the approach there is issue-oriented, rather than concerned with building a more generic type of interest in the conduct of foreign affairs, and support for the men and women of the Foreign Service. As a result, the Service has never had the public recognition and support—or the congressional constituency—enjoyed by the military.

In recent years, terrorist incidents directed against U.S. government officials and installations have occasionally focused attention on the dangers facing Foreign Service employees and other Americans serving overseas. But as a rule, there is still too little public knowledge about the Service, and what information there is often portrays the diplomatic corps in an anachronistic and unfavorable light.

The persistence of this situation is not

A GREAT HOLIDAY GIFT
MADE HASSLE FREE



*Share the exciting tastes of our
First Ladies, personalities, embassies...*

470 Recipes,
Basic to Gourmet,
Regional to International,
Creative Menu Ideas.
Favorably reviewed by:
The New York Times,
The Washington Post,
USA Today,
and others.

6"x 9", Spiral Bound

FREE GIFT WRAP AND MAILED FOR YOU
IF YOUR ORDER IS RECEIVED BY NOVEMBER 30th

ORDER SIX OR MORE AND GET EACH COOKBOOK
FOR \$8.95 (Plus Shipping)

WE WILL ENCLOSE YOUR GIFT CARD
IF IT IS SUBMITTED WITH YOUR ORDER

Please send me _____ copies of
THE NATIONAL SYMPHONY ORCHESTRA COOKBOOK
at \$10.95* each plus \$1.75 handling and postage per copy (U.S., APO,
Diplomatic Pouch only)

Enclosed is my check or money order for \$_____ made
payable to FANS/NSO Cookbook.

District of Columbia residents please add 6% sales tax.

NAME: _____

STREET ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

SUBMIT SEPARATE LIST FOR MAILINGS.

MAIL TO: FANS/NSO COOKBOOK - BENINGTON

6004 Dellwood Place

Bethesda, Maryland 20817

*\$8.95 each if six or more ordered.

FSJ



Comfort Inn
Enterprise Square
 1-66 and N. Glebe Road, Arlington, VA 22201
 703-247-3399 or Toll Free 800-228-5150

CONVENIENCE:

- Downtown** — 5 minutes from
- Airports** — Washington National (4.5 miles)
 Dulles International (17 miles)
- Metro** — 1/2 mile from Ballston Metrorail Station with direct access to downtown Washington, Rosslyn and Crystal City
- Beltway** — 1-66 and N. Glebe Road exit
- Attractions** — Foreign Service Institute (3 miles), Pentagon (3.5 miles), Lincoln/Vietnam Memorial (3.6 miles), White House (4.5 miles), Department of State (4 miles), U.S. Capitol (6.5 miles), Washington Monument (4.5 miles), Jefferson Memorial (4.5 miles)

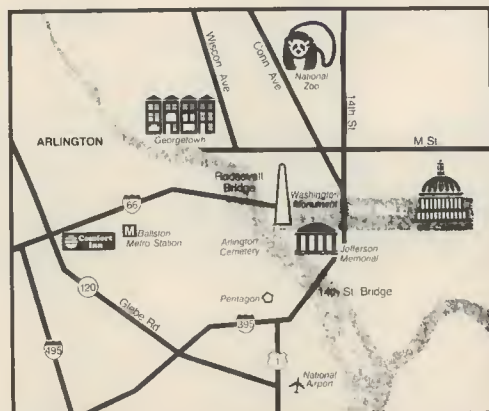
GREAT GOVERNMENT RATES:

1 person	\$45.00
2 persons	55.00
COTS	5.00
Extra Person	5.00*

SPECIAL SERVICES:

- Complimentary continental breakfast for government employees
- All charges may be billed through Diners Club
- Reservations may be confirmed automatically through any SATO office
- Conference space available for 6-10 people
- Family plans available
- Restaurant and lounge on premises (opening Summer '86)
- Complimentary cable w/HBO
- FREE Parking

*10 commissionable to SATO offices and Travel Agencies
 Offer expires 12/31/86



something the Foreign Service can ignore. In the past, it may not have actively sought to create public understanding and support, but the stakes are now too high. Today, this paucity of knowledge is eroding the public confidence and congressional support needed to maintain a high-quality career Service. This, in turn, will reduce the Service's ability to attract the best individuals from present and future generations of young Americans. Ultimately, the decline in the quality of personnel will reduce the effectiveness of our foreign policy.

One needs only look at the budget figures to see how poorly the Service has fared. During 1967-80, personnel in the other cabinet-level departments increased by 19-150 percent, while State Department personnel levels were reduced 6 percent. When related to gross national product, key elements of our investment in diplomacy fall below the levels maintained by our principal allies and adversaries.

As a nation, we are ill-informed about foreign policy issues, unfamiliar with foreign cultures, unskilled in foreign languages, and—except in moments of crisis—unimpressed with the importance to us of our own foreign affairs agencies and programs. As a result, we have historically underinvested in them. In the classic vicious circle, as Allan Hovey says in a working draft of an Atlantic Council paper, *U.S. International Leadership for the 21st Century: Building a National Foreign Relations Constituency*, "we are internationally relatively illiterate because we do not commit the resources to be otherwise. And we do not commit the resources required to meet the demands of international intercourse because we are internationally relatively illiterate."

Some attempts have been made to increase public understanding of foreign relations. In 1967, the Brookings Institution published the Murden report, which led to the establishment of what is now the Overseas Development Council. In 1983, the Carlucci commission discussed the need for more effective public support and congressional funding of the foreign aid program, and concluded that at least part of the answer lay in the establishment of a citizens' network. But where the Carlucci commission sees the network as a means "to ensure that the public is better informed," the Murden report argues that educational activities need to be complemented by "a program of direct political action."

These reports were concerned with creating popular support specifically for foreign aid, but the Atlantic Council is now studying the possibility of creating a more

general constituency for foreign affairs. The study involves two complementary lines of action: the establishment of a "Foreign Affairs Foundation" and the organization of a citizens' network/public-interest lobby. The second could function either as an independent organization or as the political-action arm of a coalition of private international groups.

The Una Chapman Cox Foundation is one organization specifically created to support the development of "the best possible Foreign Service." We believe that a highly qualified and properly utilized professional Foreign Service is an important asset that can support presidents and secretaries of state in formulating long-term policy and conducting the foreign relations of the nation. The foundation continually strives to strengthen and support the Service while helping to establish the broadest possible public support.

In the past, the foundation was primarily known for funding such projects as fellowships, allowing Foreign Service officers to spend a year researching and writing outside the State Department. It is also engaged in supporting a number of projects aimed at building a more general constituency. Especially relevant among these is the production of a documentary film suitable for prime time television that would make a balanced presentation of the conditions and problems that the Service faces abroad. The foundation is supporting the American Academy of Diplomacy in its work with the Senate Foreign Relations Committee and is studying a proposal by the Florida International Alliance, an association of retired Foreign Service personnel, to introduce the concept of the Foreign Service into the Florida secondary school curriculum. We are also assisting the National Office of the World Affairs Organizations to establish a Washington office. And, we are participating in the Atlantic Council Study Group Initiative and hope to use the final report as the basis for a discussion with other private foreign affairs organizations.

Unfortunately, the foundation does not have a global prescription for what ails the Foreign Service on the issue of building a popular and political constituency. But just because there are no definitive answers does not mean we should hope the problem will go away. The Service is already being affected by its reluctance to act earlier; we should not delay any longer.

Diego Asencio, a retired Foreign Service officer, is now executive director of the Cox Foundation. He has served as ambassador to Colombia and Brazil and as assistant secretary for consular affairs.

APPLIANCES FOR WORLDWIDE USE

110 - 220V.

110 - 220V.

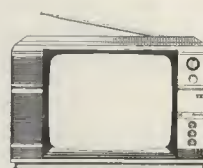
MANHATTAN ELECTRIC

212-869-6699

21 West 38th Street, N.Y., N.Y. 10018

Direct Factory Distributors

PHILIPS
GRUNDIG
A.E.G.
CALORIC
KENWOOD
FISHER
SINGER
BLACK & DECKER
SAUTER
MAGIMIX
SILVER REED
BEURER
SINDRA



TV
VCR
STEREO
REFRIGERATOR
WASHER
DRYER
DISHWASHER
STOVE
MICRO OVEN
SEWING MACH.
TYPEWRITER
ELEC. BLANKET
SMALL APPLCS.

CRATING AND SHIPPING WORLDWIDE

WASHINGTON, D.C. BOUND? DRIVE A BARGAIN

RENT-A-USED CAR

from \$12.95* per day

RENT-A-NEW CAR

from \$15.00* per day

Ideal When Shipping POV or on Home Leave

*Restrictions apply, call for details

FREE PICK UP AT NATIONAL AIRPORT & METROS

683-6400

2850 Jefferson Davis Hwy., Arlington, VA 22202

ORDER ANYTIME BY MAIL

and get our special 20% discount on all prescriptions

You have credit with us; order all your drug items from us and pay upon receipt

You can always rely on us for fast, efficient service

Satisfied customers all over the world.

We are anxious to service you

COLUMBIA PLAZA PHARMACY

516 23rd St., NW

Washington D.C. 20037 Telephone (202) 331-5800

*"Bright is
the ring of words
when the right man
rings them."*

—Robert Louis Stevenson



Your words
ring true—when Brewood rings
them. This holiday ring in the
spirit of the season with
greetings from Brewood.

Personalized Holiday Cards
• Engraved & Printed
• Traditional or Contemporary
• Our Design or Your Own



BREWOD
Fine Engraving and Printing since 1892

1147 Twentieth Street, N.W.
Washington, D.C. (202) 223-2300

TLC

**Temporary Lodging
in Washington, D.C.**

An alternative for the prudent spender.



If your stay in Washington is
a month or longer, spread
out in a spacious apartment
and enjoy all the comforts of
home. Walk to the Rosslyn
Metro or to Georgetown.

TLC is a full-service real
estate company. Sales *
rentals * property
management

TLC

Development Corporation
1700 North Moore Street
Suite 714
Arlington, Virginia 22209
(703) 527-4441

CLIPPINGS

Intimidation Tactics

"Senator Jesse A. Helms's [R.-North Carolina] crusade to straighten out U.S. foreign policy has moved into a high-risk phase. His latest prey include key areas of Reagan administration policy as well as more traditional targets—the pet policies of liberal Democrats and the performances of most career diplomats....

"Some foreign policy experts believe that Helms's use of Senate rules to block ambassadorial and Foreign Service nominations has led to an atmosphere of intimidation in which members of Congress, career officials, and presidential appointees will not confront Helms."

*Christopher Madison in the
National Journal, August 9*

State's Bias

"It is common knowledge in Washington that while the president carried 49 states in 1984, he would not have carried a single precinct within his own State Department.

"The main reason it took the president so long to win funding for the Nicaraguan contras is because his former State Department experts for Latin America undermine his policy....

"The main reason we have so little world-wide support for the Reagan doctrine and the Strategic Defense Initiative is that, under George Shultz's leadership, only a handful of courageous ambassadors care enough about these policies to promote them.

"The main reason the president is floundering on South Africa is that the State Department would rather appease the violent, pro-communist African National Congress than mobilize a coalition for democracy."

*Bently T. Elliott in the
Wall Street Journal, August 8*

Forced Reductions

"State Department officials will leave intact a rule that could force 100 to 150 senior Foreign Service officers to retire this year....

"Reviewed was a promotion policy mandated by the 1980 Foreign Service Act

and department regulation. The policy says that a top officer who wants to get into the Senior Foreign Service must do so within six years of announcing that intention.

"If he or she does not make it within the six-year window, retirement is the next step. This is the first year the six-year window will affect some employees by forcing retirement."

Federal Times, August 18

"The United States faces a 'national security crisis' that will seriously jeopardize the nation's global interests if Congress goes ahead with proposals to sharply reduce the administration's foreign affairs budget requests, Deputy Secretary of State John C. Whitehead said yesterday....

"He said the administration would have to cut back aid to such politically sensitive countries as Haiti and the Philippines, shrink plans to improve security at overseas posts...and reduce broadcasting by the Voice of America, Radio Free Europe, and Radio Liberty.

"In addition, he said, the department would have to reduce its personnel by as many as 1000 full-time employees and close more than a dozen embassies and consulates."

*John M. Goshko in the
Washington Post, August 15*

Conservative Gauntlet

"Former president of ABC News [William] Sheehan earlier this year was chosen by Charles Z. Wick to head Voice of America. His network ties and his current status as a Public Broadcasting Service board member, however, made him highly suspect to the Republican right. To help allay their fears, a get-acquainted lunch was arranged. Among those in attendance: James Lucier, an aide to Senator Jesse Helms; Tom Winter and Allan Ryskind, editors at *Human Events*; Richard Viguerie, the right's direct-mail specialist; and Reed Irvine. The lunch did not go well. The conservatives made clear their belief that VOA should serve as an aggressive arm of U.S. foreign policy. When he was questioned on that point, though, Sheehan stood his ground, maintaining that the

agency should be run as an objective news operation, free of political bias. Not long after lunch, Helms sent Wick a letter detailing his objections to Sheehan. The nomination was withdrawn."

The Nation, September 13

Blacks at State

"The past 25 years have seen some increase in the number of blacks serving in the Foreign Service, but there has been significant back-sliding under the Reagan administration, and this numerical increase is out of proportion to the increase in the size of the State Department or the black population. Indeed, today there are only 254 blacks in the U.S. Foreign Service, out of a total of 4,104—that's only six percent.

"Furthermore, there are only 12 blacks at senior levels in the State Department out of a total of 650 senior positions. And there are only 25 blacks among the 729 individuals eligible to compete for the Senior Foreign Service."

American Politics, August

Anti-terrorist Bushes

"The recent spate of terrorist activity has left many American embassy employees wondering where they should turn next for added protection, and entrepreneur Bill Crisp has just the answer: vicious plants....

"'You know the nasty pins women used to wear in the old-timey hats?' Crisp asks. 'Well, the four-inch thorns on this bush are as vicious as 1000 hatpins coming at you in 100 different directions.' He claims the hedge, which he found growing wild in this country, is invulnerable to terrorists and 'small vehicles' alike. Don't ask for the name of the vicious plant, however: Crisp won't release it for fear of creating competition."

*Common Cause Magazine,
July/August 1986*

Old Charges Never Die

"Communist sympathizers in the State Department also played a key role in the loss of mainland China to the Reds. ...Consider the record of Dean Acheson, who entered the State Department in 1941 and was President Truman's secretary of state from 1949-53. Acheson, whose service to the cause of communism began when he became one of the Stalin regime's paid American lawyers before U.S. diplomatic recognition of the Soviet Union in 1933, pushed Alger Hiss up through the ranks and, even after Hiss had been con-

victed of perjury in 1950, refused to 'turn my back' on him. It was Acheson who presided over the clique that turned China over to the communists; who reinstated John Stewart Service to the State Department in 1945 after Service had been arrested by the FBI for having given classified documents to the communist magazine *Amerasia*; and who told a pro-communist rally in 1945 that 'we understand and agree with the Soviet leaders that to have friendly governments along her borders is essential for the security of the Soviet Union and the peace of the world.'...

"Although Acheson assured the country in July 1946 that there were no communists in the State Department, the facts were just the opposite....In 1946, Secretary of State James Byrnes informed Congressman Adolph Sabath that his own security investigators in the department had declared 284 persons unfit to hold jobs there because of communist connections and others reasons, but that only 79 had been discharged, leaving 205 still on the State Department payroll. Four years later, Senator Joseph McCarthy launched five years of controversy by telling an audience in Wheeling, West Virginia, that while he did not have the names of the 205...he 'did have the names of 57 who were either members of or loyal to the Communist Party.'...

*James J. Drumme in
The New American, May 19*

Grab-bag of Goodies

"Until a year ago, State Department regulations said that no benefit when added to a Foreign Service officer's salary could push the officer's income above \$75,000, or \$100 less than a congressional salary. But a number of officers nevertheless exceeded that limit because it applied only to individual benefits, not to benefits collectively, and many officers were receiving more than one benefit.

"Then, last August, the \$75,000 cap was moved up to \$86,100, or \$100 less than the salary paid the secretary of state....

"Senator [Edward] Zorinsky [D.-Nebraska] and other members of the [Foreign Relations] committee are reviewing whether some benefits should be cut. 'Is there a specific purpose for each benefit, or is it just a grab-bag of goodies?' he asked in an interview."

New York Times, August 9

CLIPPINGS records statements in the media about the Foreign Service and its agencies. Readers are invited to send in contributions.

AUTHORIZED EXPORTER



GENERAL ELECTRONICS INC.

REFRIGERATORS • FREEZERS
RANGES • MICROWAVE OVENS
AIR CONDITIONERS • DRYERS
WASHERS • SMALL APPLIANCES
AUDIO EQUIPMENT • TELEVISION
DISHWASHERS • TRANSFORMERS

Available for All Electric
Currents/Cycles

Immediate Shipping/Mailing
From our Local Warehouse

We Can Also Furnish
Replacement Parts for
Most Manufactures



SHOWROOM

General Electronics, Inc.
4513 Wisconsin Avenue, N.W.
Washington, D.C. 20016
Tel. (202) 362-8300
TWX 710-822-9450
GENELECINC WSH

SEND THIS COUPON FOR
FREE CATALOG

NAME: _____

ADDRESS: _____

ZIP _____

Our Catalog Is Sent to Administrative Officers,
Embassies, and Consulates Throughout the World.

Riverside Liquors

Serving the Foreign Service for over 55 years

2123 E Street, NW at Virginia Ave.
(across from the State Department on E Street,
next to Peoples Drug Store and State Plaza)
5% off on regular low prices on liquor and
wines upon presentation of government ID

No discount on sale items

Wide variety of domestic and imported
BEERS * WINES * CHAMPAGNE
Complete selection of whiskeys and liqueurs

338-4882

VOLVO

Factory-Set Diplomatic Discounts

U.S., European, or Overseas Specs
Overseas and Domestic Deliveries

KELLY COGHILL
DIPLOMATIC SALES SPECIALIST

 Don Beyer Volvo

1231 W. Broad Street
Falls Church, VA 22046
(703) 237-5020



Meredith Manor International Equestrian Centre

Setting the standards for quality,
sincerity, and proficiency in
college level education since 1963

Identify and accomplish your
goals within the context of our
unparalleled program. Western,
dressage, jumping, blacksmithing,
breeding, horse health,
teaching, training, equine business
management taught by
American and European professionals.
Limited enrollment.

Route 1, Box 76 W Waverly, WV 26184
Phone: 304/679-3128

10-25-50

Foreign Service Journal, November 1976: "The proper relationship, in public as in private, between a diplomatic service and its supporting intelligence agencies can never be easily defined. So it is that the department's long-expected decision, taken for evident intelligence reasons, to do away with the old unclassified Biographic Register will be welcomed by some and deplored by others....

"There will be those who can only conclude—and I confess I am one of those—that the Service is now a poorer thing. For the old Register was a symbol, in its way, of the open and relatively above-board diplomatic traditions of the career we entered into with such elevated aspirations these many years ago."

Thomas A. Donovan

Foreign Service Journal, November 1961: "The Service has been gratified to observe that the old cliché—of the Ivy League, striped-trousered FSO—is at long last losing currency. It would be pleasant to think that we shall henceforth be viewed objectively as we are. This is apparently not to be.

"Another stereotype is spreading and seems likely to become well entrenched unless combated. This new cliché, worse than the old, identifies the FSO as a cautious traditionalist with a bias toward timidity and conformity."

Elbert G. Matthews

Foreign Service Journal, November 1936: "Hard by the White House, on Washington's broad Pennsylvania Avenue, the nation's rarest and most exclusive academy reopened this week. The swinging back of the creaking Havana doors of the United States Foreign Service Officer's Training School on the third floor of the State Department building signaled the end of three years of dust-collecting caused by economy in the Foreign Service.

"With a class limited to 14 embryonic ambassadors and ministers, who came from the far corners of the globe for their three-months' study course, the school is the world's only institution of its kind."

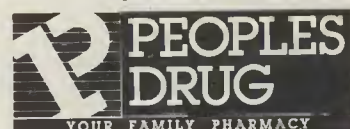
10-25-50 records excerpts from previous issues of the JOURNAL.

Prescriptions from Australia to Zaire.

With our worldwide prescription service, it's easy to have your prescriptions sent where you need them. Just bring or mail a prescription from your doctor to this store. We'll do the rest and mail them anywhere overseas or stateside.

- Orders filled and mailed promptly.
- Pay Peoples low prices plus postage and packing after receipt.
- Your doctor stateside can order a refill by phone.
- Complete lines of National Brand and Peoples Brand health and beauty aids, sundries, and cosmetics are also available.

Over 80 years of reliable service
to the diplomatic community.



2125 E Street, N.W.
Washington, D.C. 20007
(202) 338-6337

BUY SELL INVEST

Ed Joyce
Retired FSIO

LICENSED IN D.C.
and VIRGINIA

*MOUNT
VERNON
REALTY*
INC.



6257 Old Dominion Dr.
McLean, Va. 22101
Off: 821-8300
Res: 821-2109

DESPATCH

Faith & Charity

Both the State and Justice departments are investigating allegations that Ambassador to Switzerland Faith Ryan Whittlesey misused representational funds collected on a tax-deductible basis from private donors. The funds were raised by Los Angeles businessman Fred H. Gottfurcht, who also conducted similar drives for the embassies in Dublin and Vienna. The fund in Bern is reported to have topped \$80,000.

At the same time, several offices on Capitol Hill are looking into the appointment of Robert Reilly as Whittlesey's assistant for public affairs in Bern. They are concerned because he had been disciplined earlier for the approval of several questionable grants while he was the head of USIA's Private Sector office. Reilly's father gave \$5000 to the embassy representational fund after his son was offered the job but before he arrived at post.

Bern embassy records obtained by the *Washington Post* report that the fund was used to pay for:

- Silver serving pieces totaling \$15,000, cookbooks, a badminton set, rubber boats and oars, hairdryers, pot-holders, towels, and an ice cream maker;
- Christmas gifts for housekeepers, a maid, gardener, butler, launderer, chauffeur, and chef;
- Ski rentals for a visiting journalist and a Justice Department official;
- Meals and other events for visiting Americans, dozens of which took place without foreign nationals present; and
- Plane fare for Senate Foreign Relations Committee staffer Christopher Manion to come to Bern to play his guitar for the July 4th celebration.

In addition, the *Post* reported that many of the donors to the fund were later hosted at Whittlesey's residence. Gottfurcht wrote the ambassador that "I have informed the members of our [fund-raising] committee they are all invited to visit you in Bern and stay at the residence, they are delighted." Gottfurcht himself later visited Bern and asked the embassy that his party "be met at the train station, tours and sightseeing arranged and a black tie dinner."

Whittlesey had served as ambassador to

Switzerland during Reagan's first term, then took a job in the White House, where she was assisted by Reilly. When she was reassigned to Bern in 1985, she asked USIA Director Wick to remove the incumbent public affairs officer, but Wick asked her to wait till she had arrived at post and had an opportunity to evaluate the career diplomat personally. The officer, who had been rated "satisfactory to excellent" and was fluent in German and spoke French as well, was recalled to Washington after only eight months.

Three officers bid for the job when it was listed on July 19, and the agency recommended the deputy director of Radio Marti for the post because Whittlesey had requested a person with experience in Latin America, according to congressional sources. The embassy did not respond to the nomination. On September 7, Whittlesey called Wick and said that, given the lack of response to the job opening, she was ready to hire Reilly. He was offered the job in September. According to Reilly, his father learned of the special representational fund around October 30 and sent a check for \$5000 in mid-November.

An opinion column in the *Wall Street Journal* made light of the charges and said that regulations governing representational expenses are vague. The regulations do not appear to directly prohibit the purposes for which Whittlesey used the funds, but neither are they specifically permitted. It is the common, if not written, understanding in the Foreign Service that the funds—whether appropriated or donated—are to be used mostly to entertain foreign nationals.

The staff director of the House subcommittee on international operations, Robert McBride, told the *JOURNAL* that there are "possible ethical or administrative violations" in the ambassador's use of the funds, and subcommittee Chairman Dan Mica (D.-Florida) said that "there's a clear question whether or not it was even legal to spend the money the way it was spent." McBride said Congress would attempt to legislate stricter regulations but cited the example of the gift from the father of the recently appointed assistant in saying that "she should have better judgment—you can't legislate judgment."

The State Department, USIA, and Whittlesey's office are not commenting on the case until the investigations are complete.

Negative Results

Under the Reagan administration, federal programs to combat drug abuse have been cut 40 percent. Both the Customs Service

and the Coast Guard have had their personnel rolls reduced. The Border Patrol now has only two airplanes to watch the 2300-mile frontier with Mexico. The Drug Enforcement Administration fields fewer agents than the Capitol Police force. Total annual spending by the Defense Department on its new interdiction efforts is less than the cost of spare parts for a cruise missile.

Now, suddenly, the White House has declared a "war on drugs." While Congress quickly patched together a bill that attempts to reverse the cuts in spending, the president skirted legislative resistance to his proposal to test the federal workforce for drugs [DESPATCH, May, October] by issuing an executive order requiring agencies to develop testing programs for all employees in sensitive positions, which could include the entire Foreign Service. Three federal-employee unions filed suit against the government, and AFSA moved to establish the negotiability of implementing regulations [See ASSOCIATION NEWS].

The order requires 60 days advance notice of the onset of a testing program. This one-time warning was meant to placate criticism that surprise searches are unreasonable, but after the period expires tests can still be conducted on a surprise basis. The order does require a confirmatory test when a urine sample turns up positive during a screening, meant to safeguard against false-positives, which have ranged up to 66 percent in a study by the American Medical Association. This measure was meant to counter claims that thousands of workers would falsely be implicated in a testing program, but it fails to specify that the highly accurate gas chromatography, mass spectrometry test be used for confirmation, leaving open the possibility that the samples will be retested with the same inaccurate method. Screening tests can be confused by a wide variety of ordinary substances; in such cases the same test repeated on the same sample will probably show the same false results. Because employees whose samples are confirmed as positive will be suspended from duty during subsequent treatment, false-positives can have a significant effect on their career. Finally, because of union criticism that drug testing violates privacy, the order voids a requirement that an individual giving a sample be observed. But this will break the "chain of custody" and make it difficult for agencies to survive legal challenges to positive results.

DESPATCH is a compendium of news about the Service. It is written by the editor and does not necessarily represent AFSA's views.

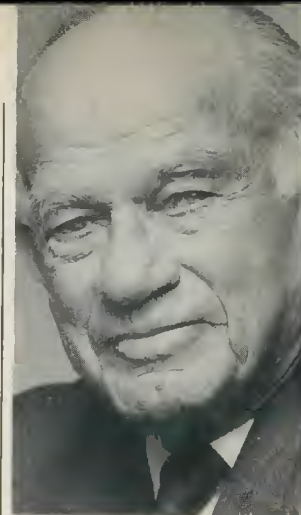
President Truman signs the Fulbright Act into law on August 1, 1946, as Senator Fulbright (behind him) looks on.



FULBRIGHT AT FORTY

*This academic exchange program has survived
neglect and funding difficulties to
prove itself a valuable foreign policy asset*

MICHAEL G. STEVENS AND RONALD A. UNGARO



Senator J. William Fulbright on the 40th anniversary of the Fulbright Act.

THIS YEAR MARKS the 40th anniversary of one of the most successful undertakings in U.S. foreign policy: the Fulbright academic-exchange program. Sometimes misunderstood or undervalued as a tool of our foreign policy, the program has survived a roller-coaster existence. After an upswing in financial support and prestige since 1982, it now faces an era of uncertainty as Congress struggles to reduce the federal deficit.

Yet, in an international environment characterized by what the *Economist* recently called "privatised diplomacy," the importance of the Fulbright program continues to grow. In the decades since the program was established, citizen involvement in foreign policymaking has expanded enormously, complicating and constraining the scope of traditional diplomacy. U.S. diplomats share an ever-more-crowded platform with free-lance negotiators for hostage-releases, zealous congressional staff members, peace activists, human rights crusaders, and a host of other players. As the traditional instruments of diplomacy become harder to exercise effectively, and the United States becomes more vulnerable to events and conditions outside its borders, the Fulbright program emerges as an enlarged foreign policy asset. By sponsoring "people-to-people" experiences, it provides one of the best methods of educating future citizen-diplomats in the realities of the world.

The program came into existence as an amendment offered by then-freshman Senator J. William Fulbright (D.-Arkansas) to the Surplus Property Act. Signed into law by President Truman on August 1, 1946, the program has enabled more than 100,000 foreign and 70,000 American scholars, students, and teachers to travel, study, and teach in each other's countries during the past four decades. Its origins represent an almost literal accomplishment of the Biblical injunction to turn "swords into plowshares," insofar as it was initially financed by the sale of surplus World War II military equipment.

Because the legislation provided only a bare outline for developing the exchange program, the substance

had to be worked out by the State Department. It did so in close collaboration with the higher-education community, through institutions such as the American Council on Education and the Institute of International Education. Some previous experiences proved valuable in developing guidelines and objectives for the program. The Belgian-American Educational Foundation, for instance, was set up by Herbert Hoover with unexpended funds from the post-World War I Belgian famine-relief effort. The Rhodes scholarships—one of whose recipients had been the young J. William Fulbright—demonstrated what a carefully crafted program could accomplish. Perhaps most important, the State Department's wartime efforts in cultural diplomacy in Latin America provided useful experience in administering an exchange program.

The basic system that evolved is a very simple one: a scholar, student, or teacher selected on the basis of professional merit receives a grant to enable him or her to study or teach in a foreign country or (in the case of a foreign grantee) in the United States. The experience of living abroad, developing language skills, and learning different cultural values provides an additional dimension to the formal teaching or studying experience. Particularly important to the program's success has been the special care and status given to the Fulbright student on campus and the provisions made for orientation and acculturation. At least in the United States, these conditions contrast sharply with the experience of the great majority of unsponsored foreign students. Of course, there are several variations on this basic model. Some grants, for example, are for short-term orientation travel. Others allow mid-career professionals to participate in a combined work-study experience, rather than a predominantly academic one. Whatever the specific pattern of exchanges with a given country, however, a two-way flow of grantees is always sought.

Despite its value, the program has not always enjoyed widespread support. By 1966, it had reached an all-time funding peak (in today's dollars) of \$83 million. In the climate of disillusionment that affected many international programs during the Vietnam war and the Watergate affair, congressional funding for the Fulbright program declined precipitously, despite the pleas of successive administrations. By 1978, when State's responsibilities for the program were transferred to USIA, funding, in constant dollars, was less than half of what it had been in the 1960s. At the same time, the number of countries

Michael G. Stevens worked on USIA's Exchanges Coordination Staff from 1984-86 and has been an agency exchange officer in South America. Ronald A. Ungaro is chief of the Academic Exchange Programs Division in USIA's Bureau of Educational and Cultural Affairs. The opinions expressed in this article are the authors' and do not necessarily reflect the views of their agency.

An American doctor rehabilitates a hospital

An American Fulbright lecturer who taught in Uganda became a major force in the rehabilitation of a university hospital in Kampala. Dr. William Parson became involved in every aspect of the medical school's teaching program, lecturing advanced students and supervising the clinical clerkships. He also supervised the master's degree program at the teaching hospital, served on a government commission investigating a typhoid epidemic, and delivered papers at medical meetings in neighboring countries.

Parson is a hero of sorts, since he worked under extremely difficult conditions in a country that has lived with upheaval for more than a decade. Despite the poor environment, he says, he "insisted on high standards among his students and taught them the fundamentals of diagnosis within the limits of the medical equipment available."

Parson's influence is already far-reaching, but one can imagine that it will eventually extend to thousands of Ugandans as his students complete their training and go on to practice. More important, however, his thorough instruction and his insistence on maintaining high standards among his medical students will surely help to save lives.

From lecture hall star to television personality

When Philip Rotham, an American Fulbright grantee who became a lecturer in Nigeria, was appointed professor of education at the University of Calabar in 1980, he found he had to build a course of study practically from scratch. In addition to structuring the syllabus, he had to arrange the library and acquire tests for his courses. One measure of his success is the fact that, although he had to divide his student body into two classes due to its size, he still had crowding problems because his lectures had become so popular that many students were going to both sessions.

Rotham chaired programs for senior student projects, conducted faculty departmental seminars and workshops, and helped to plan programs that not only influenced the university during the year of his Fulbright award but also will affect the university's curriculum in education for years to come.

His influence was not limited to the classroom. Rotham also starred in the university production of *A Raisin in the Sun*, which played to packed audiences and was shown on Nigerian television. Apparently his appeal in the lecture hall extended to the television screen as well.

participating grew dramatically, reflecting the growing U.S. diplomatic presence in the new countries of the Third World. By 1985, grantees were coming from and going to 124 countries, on every continent of the globe. This was considerably more than those served by the program in 1960. The result was a serious dilution of the program's impact in many of the original countries.

In 1982, however, a major reversal occurred, when Congress approved a bipartisan initiative led by Senator Claiborne Pell (D.-Rhode Island). The Pell amendment called for a doubling of Fulbright exchanges over five fiscal years. Under its effect, and with the support of the Reagan administration, funding for the program has grown from \$45 million in FY 1981 to \$81 million in FY 1986. The number of grants has gone from 4000 to 7500—a significant improvement, although still below the 8000 reached in 1966.

Much of the public support that led to this change has come from a growing realization of how useful the Fulbright exchanges have been in promoting long-term U.S. national interests. The list of alumni who have become government leaders or distinguished scholars around the world has continued to expand. Ex-Fulbrighters include such individuals as Senator Daniel P. Moynihan, Librarian of Congress Daniel Boorstin, University of Chicago President Hanna H. Gray, economist Milton Friedman, the late Argentine writer Jorge Luis Borges, and British Social Democratic leader Shirley Williams.

Congress has also been influenced by the emphasis

that such countries as France, West Germany and, above all, the Soviet Union place on educating foreign students. In particular, large increases in the numbers of foreign students in the U.S.S.R., Eastern Europe, and Cuba from politically volatile countries in the Third World have been viewed with alarm.

The purpose of the Fulbright program, as spelled out in the Fulbright-Hays Act of 1961, is to promote "the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges." Although the program has never had a formal list of political objectives, the best way to make sense of such a high-minded mandate is to consider the program's impact on several more limited goals.

FIRST, THE PROGRAM has done much to build our knowledge of foreign peoples and languages, and thus to contribute to an improved intellectual context for public policy debates in the United States. It has also improved the quality of foreign scholarship about the culture, history, and government of the United States. Strengthening Americans' familiarity with other lands and deepening foreign knowledge about this country are perhaps the two activities most directly supportive of the program's mandate to increase mutual understanding.

The foreign-language and area-studies activities administered by the Department of Education have provided more than 15,000 U.S. citizens with the

Senator Fulbright poses with the Fulbright Secretariat staff on his first visit to Japan in 1958.



A lesson in the American spirit

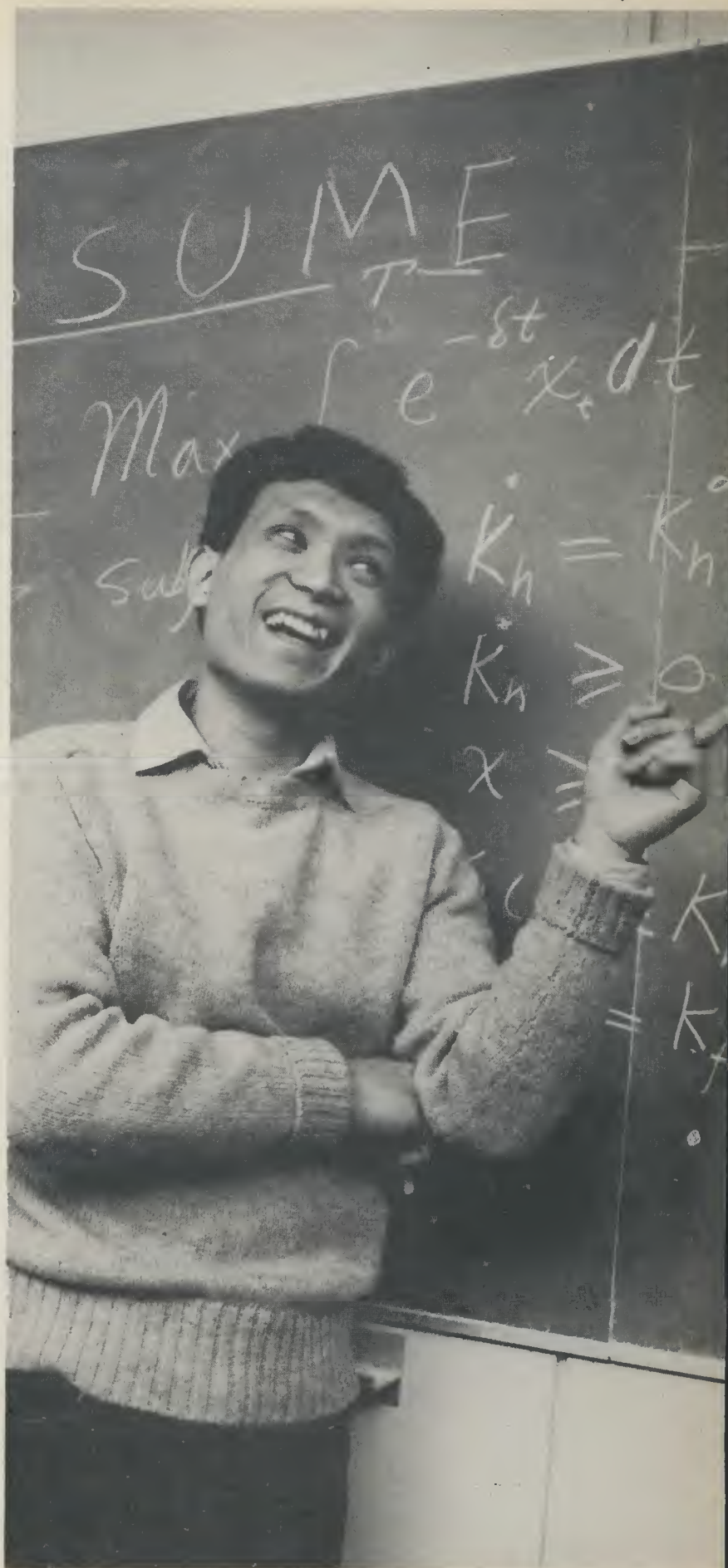
Linda Rose, a black South African Fulbright student who received a degree in education from the University of Illinois at Champagne-Urbana in 1985, has this to say about her Fulbright: "The entire experience is one my family and I will not forget. Not only did we have the opportunity of studying in American institutions, but we also enjoyed wonderful times in the company of warm and generous U.S. citizens. The kindness shown us by the International Hospitality Committee and our host family is indescribable. In addition, we had the chance to travel through the eastern United States and to see the great variety of landscapes, climates, and vegetation, not to mention the many types of people who call the United States their home. We were most impressed by the pride that Americans have in their nationality and their country.

"As for my primary aim in leaving South Africa, namely to study, I can only say that it was an enriching and enlightening experience which has made me into a more complete person. I can only express admiration for the American spirit and its desire to endure, change, and succeed. It was an inspiration to me."

opportunity to strengthen their skills. And, more than 50,000 other American Fulbrighters have studied or taught abroad without specializing in language or area studies, but with the opportunity to develop some understanding of other countries as a byproduct of their main grant objective. The resulting pool of knowledge has enriched our schools, businesses, and media, and the defense, intelligence, and foreign-affairs communities.

The program's traditional emphasis on foreign area studies has been matched by the encouragement of American studies by overseas students. Approximately twenty percent of the grants in any given year are likely to be for persons who will study, teach, or do research in that discipline. Over the years, this continuing support for American studies has provided the underpinnings for institutes, departments, programs, and courses throughout the world. All told, universities in more than one hundred countries have American studies offerings today. The program's sponsorship of American studies in the Third World has been especially effective in creating cadres of "Americanists," who are raising the level of academic competence about the United States in the developing countries.

Second, the program has successfully fostered institutional relationships between American and foreign universities. Both research and teaching in the United States and abroad have benefited from these networks, and, on occasion, ties that began with Fulbrighters have blossomed into formal agreements on sharing resources, developing joint research projects, or spon-



Former Fulbrighters in Japan's highest rungs

A recent issue of *Japan Quarterly* cited evidence of a multiplier effect from the Fulbright programs in Japan. "For every university professor whose outlook has been broadened by study in another country, many thousands of students will gain some measure of international perspective," the *Quarterly* said. "For every business person who has studied in another country, many associates are likely to gain some appreciation of the essential futility of nationalistic economic policies and the way in which an international division of labor benefits all countries."

The list of prominent former grantees includes 34 active ambassadors; the administrative vice presidents of the ministries of finance, foreign affairs, education, and justice; the recently retired chief justice of the supreme court; the presidents of 16 universities including Tokyo, Hokkaido, and Kyushu; and innumerable top executives of major business corporations.

In addition, many American companies in Japan have Fulbrighters as their chief executives. In the media, Fulbright alumni range from the president of one of the nation's top five dailies to numerous reporters, columnists, and commentators.

soring regular exchanges of faculty and students. Finally, the Fulbright program has powerfully reinforced efforts to internationalize U.S. curricula in higher education.

Third, the program has expanded the influence of the American model of higher education on foreign university systems. Key American values and concepts, such as inter-disciplinary collaboration, the organization of levels of higher education, and methods of university administration have penetrated to many parts of the world through exchange and training programs, of which the Fulbright is only one small, but often crucial, part. In fact, the personal involvement of Fulbright alumni in the administration of higher education overseas has often been disproportionate to their numbers.

TUNISIA IS ONE country where the Fulbright experience has had a significant impact on higher education. There is now a flourishing American-studies discipline, demand for American books in non-technical and technical fields, interest in developing direct links between Tunisian and U.S. universities, and support for U.S. specialists in a variety of fields from archeology to American constitutional law. Moreover, mastery of English is becoming important for Tunisians specializing in economics, management, medicine, sociology, and engineering. This trend is taking place despite the movement toward Arabization and the continuing appeal of French.

An American artist with an international canvas

Phyllis Cunningham, a U.S. student grantee to Senegal in 1982, is also an artist who now has an international reputation. A showing of her works in Dakar was sponsored by the Senegalese Minister of Culture and then-U.S. Ambassador Charles Bray, who is a former Fulbright grantee himself. So impressed were the Senegalese by their visitor that her work and her Fulbright grant were described in an article in the October 1982 issue of *Amina*, a local women's magazine.

A graduate of Howard University in Washington, Cunningham still delights in the color and rhythm of life in Senegal. Her recent work has been inspired by the designs, the forms, and the rich colors of the fabrics from which Senegalese clothing is made. She continually seeks, she says, the connection between the individual and nature, and she attempts to find it by capturing rhythms in geometric art like those of music and poetry.

The director of the Leopold Senghor Foundation in Dakar said in a speech at an exhibition of her work that Cunningham's artistic efforts would produce a synthesis of cultures and inspire local artists to blend influences from other countries with their own values.

Fourth, the program has been instrumental in introducing American concepts and methodology in the social sciences to other countries, especially in the Third World. Fulbrighters who come to the United States to study social sciences are introduced to empirical research techniques and exposed to the non-doctrinaire approach that has generally characterized U.S. higher education in that field. The experience serves to challenge the Marxist orientation in social sciences that is prevalent in many countries today. No political litmus test is applied to applicants, but the Fulbright experience provides the opportunity for the foreign student to become professionally conversant with a different body of thought in personally rewarding circumstances, at a time when the student is able to make first-hand observations about the good and bad features of American society.

Fifth, the program has provided an opportunity for future U.S. and foreign leaders to forge long-lasting bonds of friendship. This is the most subjective and unmeasurable goal of the program, but many individual Fulbrighters would rate it as the most important. The network of friendships that each participant forms often becomes an important link in the personal and professional lives of that individual and those whom he or she has come to know. Apart from the individual rewards, the expansion of human knowledge has always been highly dependent on the opportunities that creative people have to broaden their experiences while in contact with others who share their intellectual interests. The Fulbright program has enabled thousands of gifted young scholars to do

Senator John F. Kennedy meets Fulbrighter Helga Gruenbart of Austria and her two American roommates at Smith College in 1953.



A first-hand knowledge of the U.S.

Burundi's Proce Bigirimana spent a year at Pennsylvania State University studying public administration. He came as a Humphrey Fellow, participating in one of the Fulbright program's newer initiatives: a year of work and study for mid-career professionals from developing countries who show great leadership potential. Humphrey Fellows come from a variety of professions. Only applicants who have not previously studied or lived in the United States are considered.

Bigirimana found his year in the United States opened a new world of experience for him and deepened his understanding of how nations interact. His country has moved to take advantage of his newly acquired experience. Upon his return, he was appointed director for Europe and North America in Burundi's foreign ministry.

Previous Humphrey Fellows have formed an international alumni association that will eventually have chapters in the more than 80 countries represented in the program. These young professionals have banded together to share their experiences, to recruit new Humphrey Fellows, and to exchange information in their respective fields of study.

this on an international scale.

Sixth, and perhaps most important to the program's political goals, it has served as a counterweight to the frequent shifts of policy and perspective that characterize our day-to-day foreign policy process. There is no doubt that the Fulbright program should be viewed as serving the long-term national interest. The high priority that the program gives to faculty development projects in the Third World, for example, have been the key to strengthening higher-education institutions abroad. In turn, raising academic quality creates the foundations for open discussion and dialogue, which may ultimately expand the possibilities for mutual understanding between the elites of both North and South.

The Fulbright program's efforts in this area have gone on undisturbed in many countries despite abrupt shifts in government and policies, and in the face of changes in U.S. administrations and foreign-policy priorities. Even when the climate for bilateral relations has deteriorated significantly, Fulbright programs have often continued on course. This was evident in Egypt in the bleak period after the Six Day war in 1967. Although diplomatic relations had been broken, the work of the Fulbright Commission went on. Programs and funding were channeled through private organizations such as the American Research Council. The exchange activities supported in this manner preserved a major American academic presence in Egypt over several years. Prominent Egyptians and Americans were provided opportunities for continued contact and for building a commonality of



interests in the expectation of better days to come.

These objectives undeniably affect the content and flow of exchanges. Resources are allocated to particular areas of the world and specific country programs based on judgments about the long-range political importance of that country or region, as well as an assessment of the likelihood that the program's objectives will be achieved.

Although the objectives of the Fulbright program may be considered broadly political, they clearly are not designed to serve the immediate interests of a given administration or policy. A foreign graduate student cannot be expected to return home to assume a leadership position right away. An American researcher who improved his or her language and area skills is unlikely to affect U.S. foreign policy toward the host country solely on the basis of research done while on the program. For example, increasing the number of Filipino grantees in the social sciences next year will not have a perceptible impact on Philippine politics any time soon. It is instead the cumulative and long-term character of the benefits that makes the Fulbright program an effective foreign policy instrument.

The long-term nature of these benefits and the need to preserve the program's prestige (which is based on merit selection of applicants) have been decisive in keeping it free of any partisan selection criteria, at either the American or foreign end. Unlike the International Visitors program, it is not designed to produce the immediate impact of a high-intensity, short visit to the United States. Foreign Service officers may find it a limited tool for extending their range of professional contacts in a foreign country (although many an astute FSO has ridden the coattails of grantees to open valuable doors). Fortunately, the need to safeguard the program's integrity was clearly understood when Congress created it in 1946. As part of the original act, a nonpartisan, presidentially appointed Board of Foreign Scholarships was established to oversee the program. The board is composed mostly of representatives from the U.S. higher education community. Its 12 members review the qualifications of proposed grantees and have final authority over the awarding of grants.

Fears that the program would become politicized after its 1979 move to USIA have been proven false. The agency's planning and review process for annual country program proposals is designed to underscore the point that the Fulbright program is "off-limits" to tampering for short-term political objectives. Fulbright exchanges, whether administered by binational commissions or through USIS posts, are scrutinized for logical coherence and for their faithfulness to the goal of promoting mutual understanding. Two years' advance planning is required for each proposal, with evaluation of past performance included. These considerations, when combined with the competitive nature of the award process and BFS oversight, have largely insulated the program from misuse by our own diplomats, just as the BFS has guarded it from politicization at home.

Freedom of inquiry and pursuit of knowledge unfettered by political blinders are cherished ideals in the academic world. Maintaining the perception that

the Fulbright program is conducted with integrity has been essential to preserving the cooperation of the higher education community, both in the United States and overseas. This support, along with the cost-sharing provided by many foreign governments, has enabled the program to sponsor half again as many grantees as would otherwise be possible. Indeed, some foreign institutions, attracted by the program's reputation, have placed programs that involve out-of-country training under the Fulbright mechanism. Some recent examples include management-development programs for Nigeria's Council of Presidents and Spain's Ministry of Finance and scientific training for Brazil's equivalent of the National Science Foundation.

In many countries, the final mix of Fulbright activities represents a series of compromises between U.S. worldwide objectives and the exchange priorities of other governments. This binational element of the program is reinforced by the existence of Fulbright Commissions in 42 countries. Deliberations by those bodies may result in agreements to broaden recruitment to include the hard sciences, for instance, or to favor more grants for foreign students or American lecturers, particularly in Third World countries.

THE FULBRIGHT PROGRAM may be the most enduring partnership between the foreign-policy establishment of the U.S. government and American higher education. Academia has strongly supported the program for 40 years, through participation in the award process, assistance in recruitment of U.S. grantees, open-armed acceptance of foreign grantees on U.S. campuses, and vast amplification of the program's limited financial resources, through tuition waivers and fellowships.

Moreover, the increasing financial support for the program by universities, the private sector, and foreign governments testifies to the program's success in maintaining quality, relevance, and "mutuality" with foreign countries. The acceptance of foreign partnership has at times meant that the shape of individual programs has had to be compromised, but this is inevitable in a program that involves reconciling other countries' exchange priorities with the Fulbright's worldwide purposes.

These partnership arrangements are perhaps especially appropriate for a program begun with a vision of peace-making and dedicated to educating people to think in terms of a global ethos. Few political commentators or educators at the time realized the significance of the paragraphs that Senator Fulbright inconspicuously shepherded through Congress four decades ago. The learning and mutual understanding that resulted from these exchanges led one scholar to hail Fulbright as "responsible for the largest and most significant movement of scholars across the earth since the Fall of Constantinople in 1453." Fulbright himself, after a 30-year Senate career, which included chairing the Foreign Relations Committee, would call the program "the most significant and important activity I have been privileged to engage in during my years in the Senate." □

Austrian Foreign Minister Leopold Figl (right) signing the Fulbright agreement in June 1955 with U.S. Charge d'Affairs Penfield.



GERMANY'S DIPLOMATIC SERVICE BLENDS EXPERTISE, CONTINUITY

CHARLES R. FOSTER

A FEW YEARS after Bismarck became chancellor of Germany, he moved into a small house at No. 77 Wilhelmstrasse in Berlin. Next door on the narrow, elegant street turning south from Unten den Linden, where many embassies were located, was No. 76, home of the Foreign Office of the German Empire. Next to that was No. 75, the residence of the state secretary. In a gesture that was symbolic of Bismarck, the chancellor had doors cut between the three buildings. That facilitated communication between the chancellery and the *Zentralstelle*, the operations center of the Diplomatic Service.

One century later, a modern office building at Nos. 99-103 Adenauer Allee in Bonn has become the *Zentrale*, or headquarters, of the Foreign Office of the Federal Republic of Germany. The building, as drab and monotonous as No. 76 Wilhelmstrasse, is also located near the new Federal Chancellery. In the early years of Konrad Adenauer's term, the Foreign Office was also directed by a state secretary and closely controlled and influenced by the chancellor.

But today the Foreign Office is headed by Hans-Dietrich Genscher, the politically powerful foreign minister whose Free Democratic Party has been the junior coalition partner in both the current Christian Democratic government of Helmut Kohl and the previous Social Democratic government of Helmut Schmidt. Genscher plays a leading role in the formulation of foreign policy, one that reflects the FDP's status in providing the edge needed by the governing party to stay in power. Although the FDP usually polls only 5-10 percent of the popular vote, Genscher has generally been given a free hand by both Schmidt and now Kohl to pursue the party's fairly liberal foreign policy, one that includes detente with the socialist bloc. Thus the 1982 change in government had little impact on the Foreign Office—providing policy continuity and no politicization of the ministry.

In contrast with our secretaries of state, Genscher has almost unlimited power over ambassadorial appointments, which are all career, as well as promotions of senior level officials in the ministry. The German foreign service is part of the highly traditional, stratified, and well-regulated civil service system. Like other German ministries, the Foreign Office is very hierarchical but less centralized than the U.S. Service. It has the same organizational structure as

that of other ministries in Bonn.

Under the minister there are two career state secretaries and a "parliamentary" state minister who is also a member of the Bundestag. The Foreign Office staff, whether at home or abroad, is divided into four groups: the higher service (20 percent); the elevated "upper middle" service (25 percent); the intermediate service; and the "simple" lower level service (55 percent are employees of category three or four). Of the total staff of 7200 about a third are stationed in Bonn, the rest in the field. Nevertheless, members of the foreign service feel themselves somewhat superior to their colleagues in other ministries, a carry-over from the Bismarckian era.

A foreign service applicant must be under the age of 32 and have a speaking knowledge of French and English. Almost half of the applicants are law school graduates, but there are also many who hold degrees in economics, languages, history, and even engineering and physics. Thirty percent of the entrants have a doctorate, most of which are in law and economics. The success ratio in the selection process varies according to the number of vacancies and the state of the German economy. In times of recession it is about one in ten and in boom times about one in seven.

The normal diplomatic career begins at the bottom. Applicants take a broad-based written and oral entrance examination in two stages. About 350-450 university graduates file applications each year. Of these, for example, in 1984, only 80 took the examinations, and 38 were selected to enter the service by a committee composed of academicians and ministry officials. The written part of the examination, which lasts one day, is offered in October in five major German cities. It includes translations into and from French and English, a one-hour essay on a current political problem specified by the examination committee, and 120 short-answer questions on politics, history, law, economics, society, and culture. The top 20 percent of those who pass the written test take the oral exam, which is offered in early December and lasts five days. It includes an interview with the examining committee, a short speech, a participation in a group discussion, oral examination in English and French, and a psychological test. Qualities that examiners look for include interpersonal skills, team work, initiative, and an ability to make decisions. It is possible to retake the written exam, but not the oral.

The first promotion after admission to career status is almost automatic, coming after six months in the

Hans-Dietrich Genscher, foreign minister of the Federal Republic for the last 12 years, has survived several changes in government and has powers over his agency that would be the envy of U.S. secretaries of state.



The late Charles Foster was secretary of the Committee on Atlantic Studies.

A 1930s photo of the chancellery and adjacent Foreign Office, on the left-hand side of Wilhelmstrasse in Berlin. Opposite: today's Foreign Office in Bonn is still near the chancellery in the new federal complex.



training academy in Bonn and a two-year probation period as attaché. Subsequent promotions are influenced by efficiency, luck, and to some extent by political and other recommendations. There are almost no political appointments. Of the 135 heads of missions at least 85 percent started as young attachés, and even the few lateral entrants from other ministries are completely integrated into the service. All assistant secretaries and heads of departments are careerists. The drop-out rate is very low.

There are few specialists in the German foreign service. By tradition, officers are generalists because this is supposed to attract better recruits. Whenever specialization occurs during the course of a career, the officer knows that he or she is not typecast. Diplomats who spend a year or so studying Arabic, for instance, will not spend the rest of their lives shuttling between the Middle East and the corresponding desk at the Foreign Office.

The chance of an officer's making it to the top are not easy to define, because of a uniquely German feature of the service. There are five levels of ambassadorships (A-15, A-16, B-3, B-6, B-9), ranging from posts in Haiti or Niger to those in Washington or Moscow. Therefore, most can realize their ambitions of becoming a chief of mission, but after serving as ambassador in a small country officers can be named a deputy desk officer or a counselor in a larger embassy. Chances of being named ambassador to a large embassy are statistically slim.

Women are accepted without discrimination, but there is an advantage to their remaining single. If a woman marries a colleague it creates a posting problem similar to that of Washington's problems with tandem couples. Difficulties in attracting female recruits to the service exist and relate to the lifestyle of German diplomats, which tends to be both bureaucratic and quite traditionally social—i.e., small, elaborate dinner parties. Wives of some younger ambassadors are dissatisfied with their status, despite the fact that the feminist movement in Germany is not as strong as in the Netherlands or the United States.

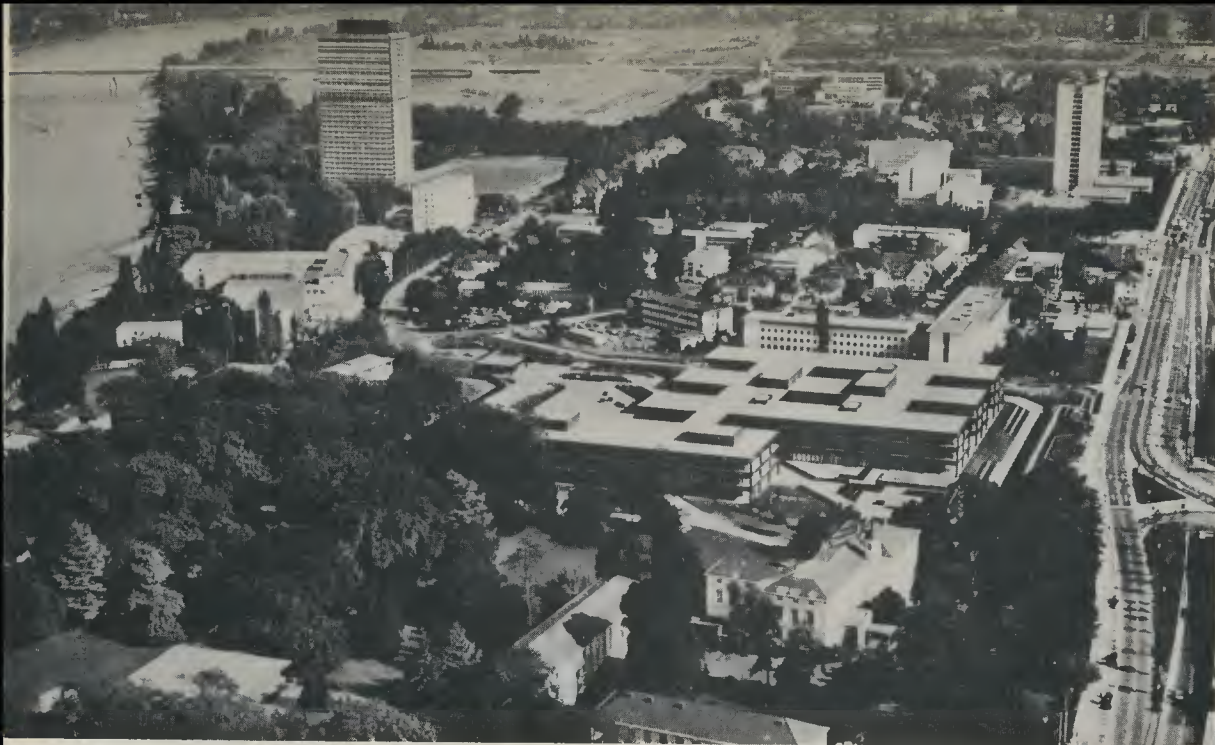
Currently, some wives, dissatisfied with their *Hausfrau* status, are asking the Foreign Office to help them find outside employment, but as yet no policy has been formulated.

LIKE THE organizational structure, the salary system is also the same for diplomats as for officials in other ministries. Thus an A-14 civil service counselor in the Ministry of Economics receives the same salary as an A-14 vice consul in Chicago, although the latter receives extra cost-of-living allowances. There are occasional attempts by deputies of the Bundestag Foreign Affairs Committee to introduce legislation to separate the foreign service from the regular civil service, but they have never been successful.

The quality of life for a posted German foreign service officer is generally high. Personal safety has rarely been a problem. While normal precautions are taken, the small risk of terrorism is accepted as part of life in hardship areas. German embassies, of course, do not face some of our problems such as large numbers of visas, belligerent statements by high-level politicians, or the search for perfect security.

Of greater concern is the quality and frequency of representational functions. Each diplomat receives, on a scale according to rank, a representation allowance that may be spent not only for food and liquor, but also for household furnishings. In addition, each embassy receives a general allowance that diplomats may use for special events. As a result, the quality and number of representations by German diplomats is considerably higher than that by their American counterparts, who are on more limited budgets.

The level of competence of the German diplomat is very high, despite few in-service mid-level training opportunities. This high caliber of the foreign service officer contributes to a climate of professionalism and political moderation. There is a readiness to work hard and to accept hardships. In return, the Federal



Republic provides a generous salary and retirement package. Retirement age is around 65, at which time the German diplomat will normally get 80 percent of the base salary. Only B-6 and B-9 ambassadors may retain a diplomatic passport after retirement. Few retired ambassadors seek post-retirement employment, and then only with prestigious non-profit organizations rather than with Germany's flourishing export business. A number of retired ambassadors have published memoirs.

Like all higher civil servants in Germany, German diplomats are, by law and custom, a special group with high privileges and obligations. The German civil servant is risk-free and secure, receiving tenure and generous benefits that allow a lifestyle commensurate with rank. Despite attempts at reform by U.S. occupation authorities and some Social Democratic administrations, the post-war restoration of this privileged status, which originated during the monarchy, has been maintained through effective lobbying by the Association of Civil Servants, the *Beamtenbund*.

Today's officers, unlike those in the service prior to 1933, are not more dependent on social and political forces, specifically political parties, but they still like to think themselves part of a politically independent "supreme" authority. Many officers who might have obtained positions in other ministries than the Foreign Office opted for the diplomatic service because of this added attraction. There is, however, a perception in other ministries that the foreign service is more politicized and that the diplomats declare their party allegiance early in their career and are then replaced, or not placed, in policymaking jobs accordingly. This is not true. Only about 10-20 percent carry party membership cards, although most senior ambassadors' political views are known. The present top ambassadorial positions include career ambassadors sympathetic to all three major parties.

All diplomats may join a political party, but most are not officially members. The officers' handbook specifically bars a "connection" between party affili-

ation and career, but, in practice, there is some semi-political favoritism. Under Adenauer, members of Catholic University fraternities were favored and, similarly, under the Social Democrats, diplomats working on *Ostpolitik* seemed to improve their careers. Since Genscher became foreign minister in 1974—a tenure almost as long as Gromyko's—the Bonn voting precincts, where upper and middle level Foreign Office bureaucrats live, have had the highest FDP vote in Germany. Favoritism is mitigated, not only by changes in government but also by the fact that no one is punished for having done well under the previous administration.

The most important criterion in appointments to the top posts is the relationship to the foreign minister and the two state secretaries. The rise to the top is also affected by service in important posts. Postings in the *Zentrale* in Bonn are becoming increasingly important in making a good career. There are no promotion boards or other formal methods of promotion in the top three levels; the chief of personnel suggests postings to the foreign minister.

THE GERMAN DIPLOMAT recognizes that German society is experiencing some changes. New social movements, the decline of class distinctions, and some popular demands for a more independent and assertive foreign policy all will affect the more traditional and comfortable ways of handling the country's foreign affairs. Some of the historical myths of German foreign policy, such as the exaggerated anti-Nazi activities of career diplomats that served both the Third Reich and the Federal Republic, and the current myths of the "German question," may also erode with the rise of younger elites. Yet it seems likely that Germany's competent foreign service will continue to flourish and to adapt to new conditions. Competence is the best guarantee against over simplification of issues in foreign policymaking as well as the maintenance of elitism based on status and myth. □

HARD SAILING AHEAD FOR SHIP OF STATE

During the past year, budgets and money have become a primary concern in Washington as the administration and Congress struggle to reduce the federal deficit. But the State Department's request for fiscal year 1987—which included the expanded security enhancement effort—was higher than that for 1986. The request seemed to be under attack all summer (CONGRESS, June), and both the House and Senate appropriations committees made significant cuts. But the full chambers have yet to act, and as we go to press, it appears that the foreign affairs agencies may be funded by a continuing resolution.

Willard A. DePree, former ambassador to Mozambique and executive assistant to the under secretary for management, has been the director of management operations since the summer of 1983. The JOURNAL spoke to him in September on the subject of federal budget reductions and their effect on the department and the Foreign Service.

Last winter, Congress passed the Emergency Deficit Reduction and Control Act, otherwise known as Gramm-Rudman-Hollings, and the federal agencies were forced to make cuts in their fiscal year 1986 budgets. How severe were those reductions for the State Department, and what steps did the department take to cope with them?

For the State Department's FY 1986 operating budget—our salaries and expenses account—the cut was 4.3 percent, or about \$63 million. That was a cut from the figure originally appropriated by Congress for that year. We looked at where we could cut with the least damage to the department: we cut back on equipment purchasing, such as furniture, vehicles, automated equipment, communications equipment; we reduced our hiring plan by about 20 percent; we cut back on Washington-based travel by about 10 percent. When you put all those items together, we were able to live with \$63 million less.

What effect did your cuts in hiring have? Were there delays in starting new Foreign Service classes, or reductions in the numbers of new entrants?

We cut back on one FSO generalist class, one Foreign Service secretarial class, and one communicator class. We did not cut back on security personnel.

What have the effects of the FY 1986 budget cuts been on posts? We understand that several are already slated for closing.

When we were putting together our budget—both our regular one and the security budget—we found that we were in the big leagues in terms of money. Our regular budget was in the \$4-billion range and the security supplemental was a similar amount, stretched out over a five-year period. We realized that with the federal deficit as large as it was, that Congress would ask if we had looked at our base operations to see if we could cut any marginal activities. We also had in our budget request funds for opening new posts, including some in Micronesia.

So we thought, if we are going to open new posts, we might be able to close some posts as an offset for funding. We asked the bureaus to identify their low-priority consulates, and also asked Consular Affairs to determine its least-important posts in terms of workload figures. About 15 posts seemed like possible cuts. We went back to the field and the bureaus, and eventually reduced that number to seven. Six of those—Bremen, Rotterdam, Salvador de Bahia, Seville, Trieste, and Winnipeg—have already been closed.

The Supreme Court recently declared the automatic-budget-cutting provision of Gramm-Rudman unconstitutional. It is not yet clear what, if anything, Congress will do about arranging a substitute. Are you assuming that Gramm-Rudman was an aberration and that no more cuts will be necessary, or are you still expecting severe cuts for the next few years?

We anticipate that the funding available for FY 1987 will be less than the FY 1986 funds. The House recently appropriated about \$9 million dollars less than what we had for FY 1986. So we're expecting this to be an even more difficult year.

When you go up to Capitol Hill, are people acting as though Gramm-Rudman were still automatic? Is that mentality still there?

Yes, very much so. If we are to reduce the federal deficit from \$170 to \$144 billion, and eventually to zero, then in terms of budget considerations, we are in for some lean years.

But is forcing cuts in the State Department budget possibly short-sighted? Specifically, could a reduction in the resources for diplomacy lead to a situation—perhaps a war—that could entail considerable expenses?

Certainly we would not want to cut the funding of any program, post, or personnel that would, in the long run, incur greater expense for the United States or endanger U.S. security. All the cuts we've made have been in marginal or low-priority activities, or where the cuts would do the least damage.

But there is the danger you mention, and I think we've reached the point where it is a concern to the managers of this building, including the secretary. Apart from State's operating budget, within the Function 150 international affairs budget account [see "A Better Budget Recipe," July/August], Congress has already made cuts of 25 percent from the president's request—in fact, more than 25 percent. That includes military assistance, development assistance, State's operating budget, USIA, Peace Corps, food-aid programs. If you make cuts of that magnitude, you're endangering the conduct of diplomacy. The secretary and other department officials have been going up to the Hill to explain this to the Congress.

We will have another problem in FY 1987 in that, even though the funding level may be slightly less than this year's, the cost of simply staying where we are goes up because the dollar has lost its value, especially in Europe and Japan. And, we have some automatic wage-and-price increases in our overseas operations. We have a two-percent pay increase scheduled for January. When that is added up, we need about \$75 million just to stay even. And that money will not be there in terms of increased appropriations. We'll have to find a way to cut another \$75 million from our budget base.

We also have some new programs that are not being funded in FY 1987: the new posts we want to open in Kiev and Micronesia, for example. We have new legislation on an inspector general's office, which has to be staffed and funded. All of this new, high-priority program activity comes to about \$23 million. Added to the \$75 million we need to maintain current operations, we have to find a cut of almost \$100 million in the base of operations just to stay even. Some hard decisions will have to be made.

What do you expect to happen with the appropriations for 1987?

We will probably be funded by a continuing resolution for FY 1987, but the precise form it will take is still unclear. Whatever happens, we're projecting that we'll have to live with less than we had last year.

With a continuing resolution, you'd still have to find the \$100 million you mentioned, but there wouldn't be any more cuts. Would that be preferable to an appropriations bill that had even less money?

This becomes exceedingly complicated because we've only been talking about the base of operations. We have also passed a security supplemental, and in FY 1987 some of that security money is added to the base figure. So it depends whether Congress works from the old base or the new base figure that includes the security money as to how much we'll have under the continuing resolution. Even with the best of scenarios, we'll have to live with less than we had last year.



"Congress has already made cuts of more than 25 percent from the president's request. If you make cuts of that magnitude, you're endangering diplomacy"

After Gramm-Rudman passed, the department looked into ways it could save money. Can you tell us what was recommended?

There are certain basic places you look. Since 55 percent of our salaries and expenses are made up of "people costs"—salaries, allowances, benefits, the cost of shipping—if you're going to make savings, you eventually end up looking at the number of people we have to support. There are several ways to save money in terms of people. One, you can reduce the work force. The cutback on hiring last year meant that we hired something like 300 fewer Americans than we had anticipated. Next year, we're planning on hiring below our attrition rate, so that the actual level of American employees will be less in a year than it is now.

Because there is a high cost in supporting official American personnel overseas, we have just reviewed our overseas staffing needs. We spend roughly about \$100,000 apart from salary for each American and his or her dependants. So, if you can reduce staffing overseas, the savings will be more than if you reduce it on the domestic side. We expect that our overseas American workforce will be reduced next year by about 100-150 persons. You can also make savings by extending the tour of duty and not having to move people quite as often. You could save money by cutting back on the amount available for performance pay. We're going to have to make decisions that will affect the employees in the department.

There are a couple of decisions that we are really trying to avoid, and that our employees would consider the most damaging, in particular, a reduction-in-force or a furlough. We estimate that if all employees were furloughed for one day—that is, if the entire American-salaries account were not paid for one day—we would save about \$1.8 million. We're trying, at all costs, to avoid having a RIF. I think we can

AID CUTS PROGRAMS, NOT PERSONNEL

THE THREAT OF large cuts in the foreign assistance budget has been making headlines throughout the summer. But that threat mostly comes from the House bill, since the Senate has voted for only slightly less than the final FY 1986 appropriation. Still, as we go to press, those bills have not been reconciled, making it impossible to count on the higher Senate levels. For those who work in AID, the constant reports of drastic cuts come after experiencing several years of steady reductions in the operating expenses account. But according to Martin V. Dagato, deputy assistant administrator for programs and policy coordination, the most recent reductions will fall mostly on programs, not people.

The original FY 1986 request for foreign assistance totaled \$6.2 billion, but after the first round of Gramm-Rudman cuts last March, that amount had been reduced to \$5.6 billion. (Foreign assistance can differ significantly depending upon what is included. The figures here include the development assistance functional account, the economic support fund account, and operating expenses, but not military assistance.) For FY 1987, the administration requested \$6.6 billion, but neither the House nor the Senate have come anywhere near that figure. The House Appropriations Committee approved \$5.2 billion, while the Senate committee voted for \$5.96 billion (of which \$400 million cannot be spent until FY 1988).

The biggest cuts have come in the economic support funds. The House has appropriated just under \$3.2 billion, with all but \$600 million designated for particular countries. This would represent a 40 percent cut for those "non-earmarked" countries, which include Spain, Turkey, Kenya, Morocco, and the Central American and Caribbean countries, along with numerous others considered important to U.S. interests. As Dagato points out, this would create "serious problems" for the foreign assistance program. The Senate bill, on the other hand, contains \$3.9 billion, but the cap of \$3.5 billion on 1987 expenditures brings it down under the 1986 level. Nevertheless, its earmarks would lend to a decrease of about 15 percent for the non-designated countries.

The cuts were nowhere near so drastic in the development assistance account, where it went from \$1.46 billion last year to \$1.37 billion in the House and, in the Senate, \$1.42 billion. But Congress did make significant adjustments within that account, increasing health, for example, from a request of \$151 million to \$173 million in the House, while reducing some private sector activities from a request of \$231 to \$135 million.

Operating expenses also saw a decline, although nothing as drastic as ESF saw in the House. From a post-Gramm-Rudman 1986 level of \$360 million, these expenses have been set by the House and Senate at \$341 million, roughly a five percent cut. But relief is available in the form of a provision, first available last year, that allows some program monies to be used for operating expenses overseas—such as local travel and salaries and contract payments—that are directly related to the program. Because of that, Dagato does not foresee any RIFs for either U.S. or local personnel, and the agency has started another intern class. "While it's going to be very tight," Dagato comments, "we think we'll be able to live with it." He points out that during the last ten years, agency personnel numbers have declined by more than twenty percent, while program responsibilities have increased. "After the most recent reductions," he says, "it really would be questionable to go any further given the management responsibilities we have for this program."

—FRANCES G. BURWELL

manage without one and without a furlough.

So other decisions will have to be made. The under secretary for management has decided to extend the tour of duty in a number of hardship posts to three years. We've reduced our intake, and we will hire below attrition next year. And we are returning people from overseas. Now we'll be going through an exercise to determine whether we can cut back on domestic positions as well.

When you attempt to reduce the positions overseas, is their work simply going to go undone? How does this square with the fact that you are under pressure at some posts to replace FSNs with Americans for security reasons?

It's our opinion that there are some marginal activities that can be eliminated without affecting the essential overseas work. There is an exceedingly high cost to supporting people, and there is a growing cost in providing security for our people. Despite the reductions that we and the other agencies are taking, everyone seems to agree that the essential work will still be done. Some would argue that it would be done even more effectively with fewer people around. Even if we have to hire additional FSN employees or resort to more part-time employment of American dependents or American residents overseas, the overall savings would still be greater.

What will be the effect on domestic personnel? A recent management cable said that bureaus were being asked to identify seven percent of their positions that could be abolished.

We are asking them to identify seven percent, but our expectation is that we would not be abolishing all those positions. We would like a larger number to look at so that we can be somewhat selective and cut the lowest priority positions.

How do you reconcile this reduction in positions with your stated policy of trying to avoid a RIF? Do you intend to reduce the positions by attrition?

That's right. The reduction in the workforce would be through attrition. Our attrition is very low in the department, about six percent. Each year something more than 800 persons leave the Service. Our hiring projection, which is still tentative, is for about 500. That's the minimum we need to keep our institution going. We need an intake of about 180 generalists if we want to staff consular positions overseas with junior officers rather than stretch down mid-level officers. We have traditionally hired retired military personnel as communicators, so there's very high turnover, and we have to hire more. There is also a high turnover among Foreign Service secretaries. We've added up all these categories, including our Civil Service employees, and with a minimal intake at the junior levels, it adds up to somewhere over 500. So, with a projected attrition of 800 and minimal hiring of 500, the best you can do in reducing the overall American workforce is 300. And we can do this without a RIF.

If the situation were to get worse in the future,

would you attempt to speed up your attrition rate, perhaps by granting fewer limited career extensions?

The decisions on LCEs and the six-year window have not been made on the basis of any savings that might be affected. These decisions were made by the secretary and under secretary, largely as a result of their considered opinions on how best to carry out the intent of the Foreign Service Act. Over the last few years, the Office of Management and Budget has cut both salary money and the department's employment ceiling, because it was OMB's judgment that we had too many senior officers. All these factors enter into the decisions the under secretary eventually made with respect to LCE and the six-year window. But, obviously there are funding consequences from this. If you don't offer as many LCEs, you have more people leaving the Service and you save money. But what drove the decision was not to save money but to carry out the act in the way they believed it should be carried out.

You mentioned the posts that are closing at the end of this month, as a result of the FY 1986 cuts. In the management cable, you mention 18 consulates and four embassies that might be closed as a consequence of the FY 1987 cuts.

Last year we closed six. In the course of our overseas staffing review, we asked the ambassadors what cuts they would propose, and several, 11 in fact, recommended that some consideration be given to closing one of *their* consulates. We will be looking at these 11 and, in addition, the inspector general has identified a few consulates for possible closing. There is now a list that is being looked at very carefully. Any closings will bring very little cost-savings in FY 1987, but we see tough times for some years ahead. If we close some posts this year, the savings in FY 1988 will assist us in living within a reduced budget.

What will happen to the people who work in the posts that are closed, both the Americans and FSNs?

The Americans, obviously, continue to be on the payroll and we will find them other jobs in the Foreign Service, although their tour of duty may be a little shorter than they had intended. As for the FSNs, we're making every effort to try to find other employment for them. Many from the posts that were closed this year will move to neighboring posts. We feel we have an obligation to the FSN workforce.

How do you decide which posts do low-priority work? You've mentioned low priority and marginal work, but can you give some kind of example?

On the consular side, it's workload—how many services we provide to Americans. We are now consolidating our consular operations, so that where there may have been four or five posts in one country doing visa issuance—as is the case in Germany, Italy, and France—we can eliminate one. In terms of reporting, it's the value of the reporting coming out of the post. We also look at the representation or presence that the post provides. A whole host of factors is taken



"We expect to reduce our overseas workforce next year by about 100-150. You can also make savings by extending the tour of duty and cutting back on performance pay"

into consideration. We feel it's often less damaging to close a post than to cut more personnel out of the embassy. And the ambassadors have given us their judgment on that.

In the case of the four embassies that are on this list, would these be eliminated or would they just be reduced?

We are looking at both possibilities. In some countries where we have limited interests as a nation, the staff seems to have grown as if it had a momentum all its own. Perhaps by restricting or limiting what reporting we expect to be provided by that post, we can reduce the staffing. Rather than close the embassy, we might prefer to establish what we call a special purpose post, which wouldn't be burdened with the reporting requirements of the big European posts, for example. Whether we close a small embassy, or reduce the staff, or maintain it in a different way will depend on the outcome of this review now going on in the department.

One of the first goals Under Secretary for Management Ronald Spiers set up was the creation and filling of additional reporting and analysis positions. How has that program fared in the face of the recent budget climate?

Even while trying to live within a reduced budget, we've attempted to fence off certain activities that we think are essential. In the past, when there were efforts to reduce overseas staffing, reporting and analysis positions, especially at the junior level, were cut. We suddenly found we had very few reporting and analysis positions; in fact, we didn't have enough to offer incoming political and economic officers a chance to have a tour in their cone before tenure. This didn't make any sense whatsoever. So we made a conscious effort to rebuild. We had the strong sup-

USIA RETREATS FROM BANNER BUDGETS

SINCE THE BEGINNING of the Reagan administration, USIA's budget has increased by about eighty percent. So even after the most recent cuts, the agency is still better off than it was in 1980. But, as a JOURNAL conversation with Deputy Associate Director for Management David I. Hitchcock and agency Comptroller Stanley Silverman demonstrated, the budget reductions have not been insignificant, and they may have a serious impact on both personnel and programs.

The USIA budget includes six appropriations: salaries and expenses, cultural and educational exchanges, VOA modernization, the National Endowment for Democracy, the East-West Center, and Radio Marti. In FY 1986, the total appropriation was \$875 million. After Gramm-Rudman took effect, however, this was reduced to \$837 million. The agency made up the shortfall largely by deferring equipment purchases and program increases and imposing a modified hiring freeze. Hoping to recover the money it had lost, USIA requested \$959 million for FY 1987. But the House voted an appropriation of only \$807 million, while the Senate Appropriations Committee reduced the amount even further to \$726 million. As we go to press, the House and Senate have not yet reconciled their bills, but even assuming that the House amount is closer to the final one, the impact could be harsh. Moreover, the agency will require between \$40-50 million more than its FY 1986 budget just to make up for inflation and the decline in the dollar.

One program that has been cut especially hard is VOA modernization. Although USIA requested \$132 million, the House appropriated only \$52 million, and the Senate nothing. As a result, VOA may have no new monies with which to buy the transmitters and other equipment scheduled for purchase in FY 1987. As for other programs, once USIA management realized that budget cuts lay ahead, it polled all public affairs officers to determine what activities were considered most valuable. Exchanges were rated very high, although Hitchcock cautions that the extent of the reductions may make it necessary to reduce even them. Exhibits, however, are among the most vulnerable activities.

There will also have to be reductions in operating expenses. Last year, the final funding level for salaries and expenses was \$550 million. In FY 1987, the administration requested \$608 million, which was reduced by the House to \$564 million and to \$560 million by the Senate. The agency is considering closing some offices staffed by only one Foreign Service National employee, along with a few branch posts and libraries. And, assuming that the more generous House figure becomes the final one, USIA will have to cut 350 positions, involving Civil and Foreign Service personnel (including FSNs) both in Washington and overseas. It is hoped that this can be done through attrition, but the agency is also considering loosening up on leave without pay and allowing some employees to work four-day weeks. The restrictions on hiring will continue, although about 45 junior officers will probably start each year. At this point, RIFs and furloughs are viewed as an "absolute last resort," according to Hitchcock. "As far as personnel are concerned," he continues, "we are trying to handle all of these issues in a very careful way, such a way as to avoid drastic steps."

Is this year an aberration? Silverman replies: "You can't really look at it that way. Given the fact that in 1988 the deficit has to go down even more, it does not appear likely that there will be a sudden amount of room in the federal budget to allow a restoration of these activities or perhaps even to sustain them at their new lower levels. What will happen remains to be seen."

—FRANCES G. BURWELL

port of the secretary and the under secretary for management. Over a three-year period, we built up our reporting and analysis staffs, and since then we've tried to guard against cuts in this crucial area.

We've been talking mostly about cuts, but sometimes you can reduce expenditures by finding better ways of doing things. Has there been a survey of the way the department runs itself and manages its people to see if there are ways of saving money without actually cutting programs?

Yes, there has been. That's sort of the charter of the Office of Management Operations, and obviously we welcome suggestions. I think some creative ideas came out of the committee headed by Charles Bray in particular. For example, some people proposed that we give the posts more discretion in managing funds overseas. We would give them an allocation and allow them to decide how best to use it, but they wouldn't be able to come back for more. We looked at some other methods of improving the way we do business. In some things, we are very people-intensive. We've had teams go overseas to look, for example, at whether some of the work, particularly guard service and janitorial work, might not be cheaper if it were contracted out. At a few posts we found there were services available on the outside, and in some cases American firms, that could provide the service at less cost.

When Under Secretary Spiers arrived, he wrote to each ambassador and asked for suggestions as to how we might improve the way we manage ourselves. We got a number of very useful recommendations. All of them were considered seriously and some were implemented.

If we could look at the long-term budget prospects: Secretary Shultz said in testimony that Gramm-Rudman could mean closing 40 embassies, firing one-fifth of the Washington staff, and eliminating 600 overseas positions. Representative Dante Fascell's office (D.-Florida, chairman of the House Foreign Affairs Committee) said that Gramm-Rudman may require RIFing 3000 Washington employees, furloughing the remainder for two weeks, and closing 25 overseas posts. Do you see these extremes being reached in the next year or two if the current budget climate prevails?

FY 1987 is going to be a very difficult year, and we'll have to cut back on everything we do. We are looking at closing more posts, although fewer than 40. We are reducing our workforce and cutting back on our FSN employment overseas. We'll be cutting back on the amount of money made available for part-time employment. But I don't, as yet, anticipate having to take action that will significantly affect the conduct of foreign relations. But we're getting very, very close to that point. Much depends on the amount Chairman Fascell and the Congress provide for the conduct of foreign affairs. If you look at the overall funding for the Function 150 international affairs account, the secretary feels we are in serious danger.

Is Gramm-Rudman flawed in that the automatic

budget cuts don't allow for priorities? Wouldn't you prefer that Congress meet its budget targets through judicious weighing of various national priorities, rather than the automatic mechanism?

Yes, in my judgment there is a flaw in the automatic sequestration of funds, but I don't know how we would fare in Congress. We have to compete for funding with a lot of important domestic programs. It may be that we wouldn't fare as well. But I believe that the Congress must appropriate adequate funds for foreign affairs. There are consequences that may be far more costly to our nation if we cut that funding too drastically. And we are close to that point now.

Soon after Ronald Spiers became under secretary, he said in a speech ["Thinning the Soup", March 1985] that obtaining and allocating adequate funds was the major priority of the department's management team. He went on to say that he didn't think State had done very well in obtaining funds, especially when compared with Defense and the CIA, and that the department had almost been apologetic about the amount of money it requested every year. Do you think this attitude has changed? Has the department—especially during the past year in the face of Gramm-Rudman—gone after funding as aggressively and effectively as it could have?

I think we have. I was working as executive assistant to the under secretary for management before taking this job, so I've been in the management area for the last five years. When Secretary Shultz came on board, and then Under Secretary Spiers, one of the first things they did was look at the resources available for conducting foreign affairs and decide that they would request what they felt was necessary. We may have been our own worst enemy in the past, anticipating cuts and making them before somebody else did it. But the first two years when the secretary and under secretary were in office, we asked for what we felt we needed. We had some battles and put up a strong justification, and we saw an increase in funding. Some cuts made by OMB were restored because we felt we needed additional resources. The budgets for those two years were very good. We rebuilt, for example, our reporting and analysis positions. We've now completed that process and are now trying not to lose ground again in terms of Gramm-Rudman. We feel that, with such a big deficit, we have to make sure that we look at our base carefully—that we squeeze the fat out of our operation. I think that is what we have done; we did that with our overseas staffing review, and we hope to do the same with our domestic review and by closing consulates. I think we've done about as much squeezing as we can comfortably do without beginning to incur damage in the conduct of foreign affairs.

It seems like terrible timing that in the same year that Gramm-Rudman becomes effective, the department proposes funding for security enhancement that would almost double its budget. You finally did get the supplemental appropriation for 1986; what do you expect in FY 1987?

Our authorization would have provided \$1.1 bil-



"We estimate that if all employees were furloughed for one day, we would save about \$1.9 million. However, I think that we can manage without a RIF and without a furlough"

lion per year for a four-year period. But when it came to appropriations, the Senate cut back dramatically. We may now have to ask for another supplemental appropriation if the actual level of funding we receive is jeopardizing the security of overseas personnel.

Even if that \$1.1 billion was appropriated, you would still be talking about a lot less money than the department wanted. Has there been any thought given to how the lack of money or delays in funding might be accommodated? Without the money to fund everything at once, which items would be taken care of later?

That is under review at the moment. The director of diplomatic security, Bob Lamb, and others have been looking at the level of appropriation and establishing priorities. Certain things will have to give, or at least be stretched out over time. Our construction program would be dramatically affected, and we will have to decide among construction projects that are already considered a high priority.

Did the fact that you were sending in such a large budget for security affect how the basic budget was treated by Congress? Did you re-examine the basic budget to see if you had gotten all the fat out?

We were aware that with this large deficit and the pressure to reduce it, it would be exceedingly difficult to get increased funding for the department. It was just good management to look at our base of operations or see where we might be able to affect reductions or make savings that could be used to pay for higher priorities. The fact that we came in with two large budgets at the same time—the basic one and the supplemental—probably, at least psychologically, didn't help in terms of getting funding for either one. It's been a tough year. □

Diplomacy on Trial

*When the Oklahoma
lawmen shot two foreign
students, they created a
diplomatic crisis between
Washington and
Mexico City*

DAVE SIMCOX

ON A HOT NIGHT in early June 1931 in Ardmore, Oklahoma, two Carter County deputy sheriffs on patrol spotted an out-of-state car on the shoulder of U.S. 77. Deputies Bill Guess and Cecil Crosby, who were winding up a futile search for a suspected armed robber, had seen the car only moments before at a local roadside root beer stand and noticed that its passengers were three Spanish-speaking youths.

The two lawmen approached the car on foot for a closer look—later claiming they intended to warn the youths about blocking traffic and public urination. Then, in a confused encounter of only a few seconds, the lawmen first scuffled with two of the passengers, then Bill Guess fired several shots that killed both instantly. The surviving passenger, Salvador Cortes Rubio, subsequently identified the two dead young men as Manuel Garcia Gomez, son of a powerful Mexican family, and Emilio Cortes Rubio, his brother and a nephew of Mexican President Pascual Ortiz Rubio.

1931 was a dismal year in Mexico and the United States. It was even more dismal for Mexicans living in the United States. But no year is a good year for a major diplomatic incident over the senseless killings of two sons of Mexico's elite. The killings would swell Mexican popular anger at its neighbor, touching the highest levels of its government with tragedy and feeding the radicalization of Mexican politics and foreign policy. The killings also nourished the emerging ethnic self-awareness of Hispanic groups in the United States and further raised their consciousness of their own precarious civil rights situation.

Dave Simcox is a retired Foreign Service officer and is now the director of the Center for Immigration Studies in Washington. During his 29 years in the Service, he was director of the Office of Mexican Affairs and held a post at the embassy in Mexico City.

The civil rights of Mexicans in 1931 already lay heavily on the minds of Hispanics, Mexican sojourners in the United States, and the *Licenciados* at the upper levels of the Mexican government. Still groping for stability after two decades of revolutionary turmoil, an impoverished Mexico found itself sharing the suffering of a world-wide depression, its exports to the United States sharply cut by declining demand and American protectionism.

But Mexico's greatest export to the United States—its people—suffered most of all. The sting of heavy unemployment and fiscal austerity had led many U.S. communities to try to open jobs and reduce welfare burdens by squeezing out the most vulnerable people—the undocumented Mexicans. Agents of the Bureau of Immigration, encouraged and assisted by local authorities, targeted Mexican communities in the southwest and industrial centers of the upper midwest for round-ups and deportations. Among those netted in the forced departures were some U.S.-born children of Mexican illegal residents. Immigration agents stressed the culture of the suspect Mexicans over possible claims to citizenship in deciding on repatriation.

Unemployed Mexican aliens on public assistance were often pressured to accept community-paid repatriation to Mexico. Los Angeles, then as now heavily popu-

lated by Mexicans, chartered special repatriation trains to carry acquiescent Mexican residents to the border and beyond at the city's expense. Implicit in this gesture was the hint that funds for the relief of Mexicans on welfare rolls might just dry up if the offer of free transportation home were spurned.

The outflow of Mexicans back to their homeland was running at 150,000 a year by 1931. Mexican border communities complained that hosts of refugees from the north were further aggravating their own staggering problems of unemployment and rising demands for public services. The Mexican press raged about mass round-ups and summary expulsions of Mexican citizens who, having been eagerly sought for their labor in the booming 1920s, were now being told they were unwanted—a ragtag army of the rejected now thrown semi-starved and penniless on the economy of the Mexican Republic. By 1935, the number of *Repatriados* reached a half-million.

It was already getting hot in Oklahoma when the three Mexican youths drove into Ardmore on June 8, 1931. The state's farmers were submerged under the lowest wheat prices in 35 years. Drought and dust were becoming problems. At the state capital in Oklahoma City hundreds of vagrants were regularly rounded up at hobo settlements in the Canadian River bottom. Dazed by the country's massive internal economic problems, the Hoover administration and Secretary of State Henry Stimson gave what attention they could to such bad foreign news as Mussolini's continuing rout of anti-fascist forces in Italy, the unrest threatening the Machado regime in Cuba, and random U.S. Marine casualties in the sporadic skirmishing with insurgents in Nicaragua.

The school year had ended the previous week for the young men. Salvador Cortes Rubio and Garcia were students at St. Benedict's College at Emporia, Kansas. Emilio Cortes Rubio attended a



mining school in Missouri. On June 8 the three were heading south on U.S. 77 through Oklahoma hoping to cross the Mexican border at Laredo.

Before leaving Kansas the students had bought three pistols, a shotgun, and nearly 500 rounds of ammunition to take back to Mexico. Later, Salvador Cortes Rubio was to explain the guns were purchased because of their high cost in Mexico and because of the boys' fear of bandits along the route home to Michoacan, in Mexico's central highlands.

ARDMORE WAS AN undistinguished farm town in the lake country on the road between Oklahoma City and Dallas. The area did not use many migrant workers and Mexicans were not a common sight there. But some unemployed Mexicans had been passing through in recent months en route home after being laid off at the depression-struck steel and auto plants of northern Indiana, Chicago, and Detroit and the sugar beet fields of Michigan and Minnesota.

The deputies noted in their report that the youths had appeared to be "Spanish," a common euphemism in the southwest at the time, when "Mexican" was close to a racial slur. As a result, the two depu-

ties who confronted the boys on the night of June 8 claimed to have felt unusual wariness in investigating the strangers, especially since two other Carter County lawmen had been killed not long before. To a Mexican, Bill Guess would have resembled the quintessential Anglo western lawman. Tall, square-jawed, and steely-eyed, often dressed in a cowboy hat and string tie, he was Gary Cooper and Randolph Scott, only cooler and better with guns. He had only recently been cleared after killing a suspected murderer in Texas five months earlier.

According to the officers' testimony, two of the students brandished weapons when they approached the car. Following some scuffling over one of the weapons, Guess shot and killed two of the boys. The third was arrested unharmed. Guess, whose testimony was pivotal in the trial, claimed throughout that he fired because both Garcia Gomez and Cortes Rubio had threatened him with weapons.

The Mexican government's reaction to the tragedy was immediate. Responding to demands of the chargé d'affaires in Washington only hours after the killings, Secretary Stimson asked Oklahoma Governor William "Alfalfa Bill" Murray for an urgent investigation. President Hoover wired his deep regrets to Presi-

dent Ortiz Rubio, who replied with a demand for a full investigation.

Murray's response in handling the investigation, as well as the public relations, was that of a consummate diplomat with deep concern for foreign sensitivities. With a background rare for Oklahoma politicians, he had lived in Bolivia for four years in the 1920s. He spoke Spanish and liked Latin Americans. He detailed high-level state law enforcement officials to work with Carter County authorities. He pushed for murder indictments and quick trials. He wired his own condolences to Mexican authorities and the bereaved families. He assigned his closest political associate and his own son to accompany the bodies back to Mexico, with all expenses of preparation and shipment paid by the state. The governor also told the Mexican consul general in San Antonio that in Oklahoma "officers are too free with their guns and too anxious to kill someone," but he told the press that, while the Mexican youths had done nothing wrong, they had tried to flee (a charge not brought out in the trial) and had carried concealed weapons in the car in violation of state law.

As arrangements were being made to ship the bodies, Ambassador Reuben Clarke in Mexico City passed on a Mexi-



can Foreign Ministry recommendation that Governor Murray's personal representatives plan to accompany the bodies no farther than the border because of the threat of hostile demonstrations within Mexico. The embassy had also learned that student groups had unsuccessfully urged the families to have the bodies routed to Michoacan via Mexico City, where demonstrations could be held.

General Lazaro Cardenas, who would become Mexico's president less than three years later, was governor of Michoacan and knew the victim's families well. Cardenas also held the influential post of chairman of the government-backed National Revolutionary Party, now Mexico's Institutional Revolutionary Party. He had already begun to take positions on international issues that presaged the "revolutionary nationalism" that he would affirm as president. He had spoken out on the need to protect the rights of Mexicans in the United States, and now he announced that the state would build a monument to the memory of "the young martyrs."

THE FUNERAL AND burials of the young Mexicans evoked deep feelings on both sides of the border. At Ardmore there was a spirit of atonement. Hundreds attended the mass and gathered for the departure of the funeral train. Businesses closed for the day. Crowds of somber Mexican residents and Mexican-Americans greeted the train in Fort Worth and in San Antonio, where 4000 turned out. At the

burial in Michoacan, President Ortiz Rubio and 2000 others attended the mass and more than 3000 accompanied the cortege.

Throughout this time, the rhetoric of Mexico's diplomats and opinion leaders was intense. *La Prensa* called the incident "vile assassinations," while *El Nacional* took note of American indifference about the killings compared with the claims of a "major incident" that could be expected if the victims had been U.S. citizens in Mexico. The government's majority bloc in the Mexican congress talked of legislation to prevent Mexican students from attending "foreign institutions," asserting that Mexicans were kept in a position of inferiority in U.S. colleges. Some U.S. newspapers were also critical: The *Daily Oklahoman* intoned editorially that along crime-ridden U.S. 77 law officers are as dangerous as the criminals. It predicted a speedy exoneration of Guess and Crosby, warning that "the next time the fate of the young aliens may be yours." Echoing the Mexican press, the paper claimed that if Hoover's nephew had been shot by Mexican authorities, there would be a call for punitive expeditions.

Pushed by authorities in the state capital and in Washington, Carter County officials charged Guess and Crosby with murder and set their trial date for June 24, barely two weeks later. Guess said he welcomed the hearing as he was confident of acquittal. The impending trial immediately became the central event in the management of the diplomatic strains the killings had provoked. For

Mexico's leaders its outcome was the key test of the sincerity of U.S. contrition over the tragedy. A conviction would strengthen the base for future claims against the United States and help satisfy Mexican public opinion, which both shared and resented their government's chronic powerlessness in asserting Mexico's interests against its vastly more powerful neighbor. For the State Department, the trial helped move the spotlight of responsibility away from Washington to a little county seat in southern Oklahoma. But, as so often in human rights cases important to Mexico, Washington could only stand by wringing its hands and hope the local courts would render a satisfactory verdict.

Local prosecutors had plenty of help when the trial of Guess and Crosby opened at Carter County court house in Ardmore a week after the burials in Mexico. Two special prosecutors sent by Governor Murray were on hand. M.C. Gonzalez, a young and eloquent San Antonio attorney experienced in civil rights cases, represented Mexico's interest in the case.

After three days of testimony, followed by 22 hours of deliberation, an all-male, all-white jury of Carter County residents acquitted Guess of murder. Crosby had been ordered held for separate proceedings later, but following the acquittal of Guess, local prosecutors declined to press charges further.

The key question in Guess's trial was whether the two students had been armed at the moment of the confrontation. The surviving student, Salvador

Cortes Rubio, who had been brought back from Mexico to be a witness, testified that the youths did not know that Guess and Crosby were police officers when they approached the car. Two witnesses said at one time that Guess had taken a weapon from the pocket of one of the dying youths, but other testimony supported Guess's contention that he fired only when the armed youths moved menacingly toward him. "He [Emilio Cortes Rubio] would be alive today if he had just sat still," was Guess's summary of events.

The Mexican government waited two days before reacting to the acquittal. Then Foreign Minister Genaro Estrada issued a statement that the verdict—leaving the murderer of Mexican students unpunished—did not mean the incident was closed. He claimed to be awaiting the results of further investigations by U.S. federal authorities. Hoover had in fact promised a thorough investigation in an earlier letter to Ortiz Rubio, but its outcome could in no way affect the verdict of the jury in Ardmore. Foreign Minister Estrada knew this and was again playing for time. Mexico's major papers knew that the Ardmore verdict meant *gringo* arrogance had triumphed again and attacked it in bitter terms.

AFTER RECEIVING THE State Department's formal report of the investigation and acquittal, the Mexican government dispatched one of the most acerbic diplomatic protests in the long history of acrimonious exchanges between the two nations. Mexico, it said, saw the failure to punish the lawmen as a "painful demonstration of lack of interest and sentiment of justice" among American law enforcement agencies, which is "tacitly tolerated" by the United States. The officers who perpetrated the "double murder," it continued, "made undue and careless use of their firearms, thereby evidencing their absolute disregard for human life." The United States, the Mexicans concluded, is responsible for the lawmen's conduct under international law. The Mexicans rejected in advance any American claim that the responsibility was Oklahoma's and not the federal government's.

Diplomats in Mexico City and Washington had many reasons for wanting to put the incident behind them quickly. Washington was, as always, concerned about tranquility in Mexico, only then beginning to find real stability in the wake of the 1910 revolution and the

Cristero uprising of the 1920s. Claims of American citizens against Mexico stemming from years of turbulence remained a major issue between the two nations and Washington wanted no more negotiating roadblocks.

Ortiz Rubio, small of size and mild of manner, who bore the mildly contemptuous nickname "Pascualito," was already in political trouble. The hand-picked instrument of strongman and ex-President Plutarco Elias Calles, Ortiz Rubio had an image problem that the appearance of being victimized by the *gringos* could only make worse. Yet he lacked the confidence, political strength, or even the inclination to confront the United States on the murders.

Three weeks after the Ardmore verdict, Ortiz Rubio told the press that the incident was to be blamed on local officials and had not disrupted good relations. His statement was seen as weakening earlier declarations by Foreign Minister Estrada that were more consistent with Mexico's developing position on the human rights of its citizens, that cases of abuse against Mexicans do affect good relations.

Following a cooling-off period after the trial, the act of atonement chosen by the Hoover administration was to ask Congress to permit *ex gratia* payments of \$15,000 each to the victims' families, "an act of grace without reference to the legal liability of the United States." This way Mexico would be able to claim some satisfaction without setting any troublesome precedents for the ongoing claims process.

But there was little *gratia* in Congress's debates of the payments when they were introduced in late 1932. Oklahoma congressmen defended the state's honor, noting that payment would impugn the jury's verdict and the probity of law enforcement officers. Another argued that since Oklahoma deputies killed the boys, Oklahoma should pay. Others raised questions of Mexico's own promptness and generosity in paying current claims to U.S. citizens. Congressman Shaffer of Wisconsin wondered why Mexican lives were worth more than American ones, since the survivors of a murdered federal prohibition agent had recently received compensation of only \$5,000. One lawmaker professed concern about the effect on the budget deficit, then at \$1.5 billion. Despite this pettiness, the measure passed the House by more than two to one. Congressman Fuller of Arkansas best summed up the prevailing feeling when he called the killings a "national scandal" that might

affect Mexico's attitude about the murder of U.S. citizens if Congress failed to act.

Did the incidents leave a lasting mark on U.S.-Mexican relations? Obviously it was not Sarajevo, or even the Alamo. But the incident became one more negative experience shared between the two neighbors, one more disruption helping shape their perceptions of each other and, in Mexico's case, of itself. For Mexicans living in the United States and for Mexican-Americans it was one more event shaping their own awakening awareness of ethnic community and their sense of "otherness" within American society. It was one more addition to the stream of a minority's rankling memories stretching from the invalidation of Hispanic land titles in Texas in the 1870s to the Los Angeles anti-Mexican riots of 1943 to the border patrol's mass round-ups under "Operation Wetback" in 1954.

The survivor, Salvador Cortes Rubio, despite the horror of the night of June 8 and the disappointment of the trial, never professed bitterness against the United States and its people. He completed his schooling in the United States and returned to Mexico to live.

His uncle, President Ortiz Rubio, in 1932, after completing only two years of his six-year mandate, was found wanting by ex-president Calles and forced out, never to achieve political prominence again.

Deputy Sheriff Guess took some time off to go fishing after the Ardmore trial and eventually went into another line of work. Crosby remained on the force until retirement.

Alfalfa Bill Murray's political career never prospered much afterward. He was an also-ran among the candidates for the presidential nomination at the Democratic convention of 1932. He later retired to his farm after unsuccessfully seeking a Senate seat.

It is Michoacan Governor Cardenas' subsequent career that most stimulates speculation about the effects on the course of history of that night in Ardmore. Cardenas went on to become Mexico's strongest and most populist post-revolutionary President. His prototypical Third World outlook, radical economic programs involving vast land expropriations, and coolness toward Washington became the bane of U.S. policymakers. He continued to encourage the return and resettlement of Mexican workers forced out of the United States in the 1930s. And, in 1938 he stunned the world by successfully seizing the American oil companies in Mexico. □

PEOPLE

1987-88 AFSA/AAFSW Scholarships for Foreign Service Students

Applications for the AFSA Scholarship Programs are now available for dependent students of career American Foreign Service personnel who have been or are currently stationed abroad. The *AFSA/AAFSW Merit Awards* are for graduating high school students and are based on academic excellence. Twenty-two awards of \$500 each are usually given every May. The *Financial Aid Scholarships* are for full-time undergraduate study in the United States and are based solely on need as established by the College Scholarship Service, Princeton/Berkeley. Grants range from \$200 to \$2000 for individuals, with a \$3000 limit for families. Write for applications and information now from the AFSA Scholarship Programs Administrator, 2101 E Street N.W., Washington, D.C. 20037. The deadline for completion and return of applications is February 15.

Other Scholarships Available to Foreign Service Students

The Association has been informed that the following scholarships are available to dependent students of Foreign Service personnel. Applicants should write for complete information *directly to the schools, colleges, and universities indicated.*

Secondary Schools

The American School in Switzerland, TASIS England, TASIS France: \$1000 tuition reductions are offered at all three TASIS schools in Switzerland, Britain, and France to the sons or daughters of State Department personnel on the basis of academic merit. Additional financial aid may be offered on the basis of need. Boarding students enroll in grades 7 through post-graduate. For further information contact: Caroline Cox, TASIS U.S. Admissions Office, 326 East 69th Street, New York, New York 10021. Telephone: (212) 570-1066. TELEX: 971912.

Castilleja School, Palo Alto, California: Scholarships based on demonstrated finan-

cial need are available to daughters of personnel in the Foreign Service agencies or of U.S. military personnel serving overseas who are registered at Castilleja School for admission to grades 7 to 12 inclusive. For complete information write to the Headmaster, Castilleja School, 1310 Bryant St., Palo Alto, California 94301.

Dana Hall School: The Congdon Prize Scholarship is awarded on a competitive basis to two entering sophomore resident students. In addition to the \$2500 prize, each winner is eligible for financial aid up to full tuition when warranted. Financial aid for all grades is also available based on need. Applications must be completed by February 1. Inquiries should be addressed to: Sarah C. Kirby, Dana Hall School, Wellesley, Massachusetts 02181.

Grier School: A \$1000 reduction in tuition is available to daughters of Foreign Service personnel. Additionally, girls may compete for scholarship support on the basis of demonstrated financial need and all-round abilities. For information please contact: Admissions Director, The Grier School, Tyrone, Pennsylvania 16686.

Miss Hall's School: A \$2000 reduction is available for the daughters of Foreign Service personnel. Miss Hall's enrolls 200 students from grades 9 through 12. This reduction is offered in recognition of higher travel costs and represents 20 percent of the total tuition cost for 1986-87. For further information, contact Diederik van Renesse, Director of Admissions, Miss Hall's School, Pittsfield, Massachusetts 01201.

Middlesex School: Scholarship offered on the basis of proven financial need for grades 9 through 12 to the son or daughter of a Foreign Service family. For complete information write to the Director of Admissions, Middlesex School, Concord, Massachusetts 01742.

The New Hampton School: A \$1000 abatement on tuition to Foreign Service boys and girls. The school enrolls approximately 300 students in grades 9 through post-graduate. For further information write to Admissions Office, the New Hampton School, New Hampton, New Hampshire 03256.

Northfield-Mount Hermon School: A \$1000 reduction in tuition is offered all sons and daughters of State Department personnel stationed overseas, grades 9 through 12. This reduction is afforded in recognition of higher travel cost. Additional financial aid

is available on the basis of need. At present, students from 44 states and 62 countries are enrolled. For further information contact Virginia deVeer, Director of Admissions, Northfield Mount Hermon School, Northfield, Massachusetts 01360.

Phillips Academy, Andover, Massachusetts: The Charles and Jane Stelle Memorial Scholarship is awarded to the son or daughter of a Foreign Service person. The award is based on financial need. For further information, and to apply for this scholarship, write to Jeannie F. Disette, Dean of Admissions/Timothy D. Dempsey, Director of Financial Aid, Phillips Academy, Andover, Massachusetts 01810.

St. Andrew's School, Middletown, Delaware: The Norris S. Haselton Scholarships are awarded to sons and daughters of Foreign Service families where scholarship assistance is indicated. The school enrolls 245 students in grades 9 through 12. At present, students from 26 states and 12 foreign countries attend. For further information write the Director of Admissions, St. Andrews School, Middletown, Delaware 19709.

Vermont Academy: An Edward R. Cheney Memorial Scholarship is being awarded to the son or daughter of a Foreign Service person. The academy enrolls approximately 246 students in grades 9 through 12. Those interested should write to the Director of Admissions, Vermont Academy, Saxtons River, Vermont 05154.

Wykeham Rise: A boarding school in Washington, Connecticut with an international student body of 85 girls, grades nine through post-graduate year, has announced a \$2000 tuition reduction available to daughters of Foreign Service employees stationed abroad. Wykeham provides a warm supportive environment in a low-pressured, carefully structured setting. The school offers a strong program in music, dance, theatre, and the visual arts to complement its college preparatory curriculum. For more information, write Ruth Boerger, Dir. Admissions, Wykeham Rise, Washington, Connecticut 06793.

Colleges

Dartmouth College: S. Pinkney Tuck Scholarship. For students at Dartmouth College who are the children or grandchildren of Foreign Service officers of the United States and who are in need of financial assistance. Address inquiry to the Director

of Financial Aid, Dartmouth College, Hanover, New Hampshire 03755.

Vassar College: The Polly Richardson Lukens Memorial Scholarship is awarded to children of Foreign Service personnel. Another scholarship, awarded by an anonymous donor, is granted at Vassar to the child of an American Foreign Service officer. If no such applicant qualifies, the scholarship may be awarded to the child of an employee of the federal government or of a state government. Both awards are based on financial need. Apply to Director of Financial Aid, Vassar College, Poughkeepsie, New York 12601.

Yale University: Children of American Foreign Service officers will be considered for a need-based scholarship made possible by the gift of an anonymous donor. If no child of an American Foreign Service officer qualifies, children of members of the U.S. military services or of employees of the federal government will be considered. Recipients must demonstrate financial need according to Yale's criteria and must, therefore, complete the regular financial aid application process. Contact: Director of Financial Aid, Box 2170 Yale Station, New Haven, Connecticut 06520.

Deaths

CHARLES ROBERT BURROWS, former ambassador to Honduras and retired Foreign Service officer, died on September 6 at Sibley Memorial Hospital in Washington after a heart attack. He was 76.

During Mr. Burrows's 30-year Foreign Service career, he served as vice consul to Havana and held posts in Peru, Argentina, Mexico, and the Dominican Republic. He became deputy director of the office of Middle American affairs in 1954 and was later stationed in the Philippines and Venezuela, where he was minister-counselor. Mr. Burrows returned to Washington to become the State Department's director of Central American affairs until his retirement in 1969.

After leaving the government, he was a Latin American relations consultant to Standard Fruit. At the time of his death, he was senior adviser for government affairs to the Castle & Cooke company.

Mr. Burrows' survivors include his wife, Lucy, and a daughter, Joan Barnett, both of Washington; a son, James, of Boston, and two grandchildren.

DIRK GLEYSTEN, a Foreign Service officer, died at his home in Washington on May 30 following an illness caused by a brain tumor. He was 56.

Mr. Gleysteen, the son of missionary parents, grew up in Peking. He was graduated from Yale University in 1951. He joined the Foreign Service in 1954. He served in Surinam, Alexandria, Stuttgart, Berlin, and Tel Aviv. He also attended the Royal College of Defense Studies in London and taught at the U.S. Naval Academy. His most recent assignments were director of Southern European Affairs in the State Department and political counselor of the U.S. mission to the United Nations.

Survivors include his wife, Marguerite Butler; two sisters; two brothers (both Foreign Service officers); two daughters; one son; and two grandchildren. In lieu of flowers, contributions may be sent to the American Cancer Society or Yale University.

JAMES J. BYRNES, a retired Foreign Service officer, died May 20 of cardiac arrest at Alexandria Hospital.

Mr. Byrnes earned bachelors' degrees from Benjamin Franklin University in 1943 and from the Georgetown University School of Foreign Service in 1949. He earned a master's from the Harvard University Graduate School of Public Administration in 1956. He was executive officer in the offices of five secretaries of state: George C. Marshall, Dean Acheson, John Foster Dulles, Christian A. Herter, and Dean Rusk. He was first secretary of embassy in Paris from 1956-57 and Ottawa from 1962-65. He retired in 1973 as deputy director of the Foreign Service Institute after 27 years of service.

Mr. Byrnes was a member of the Board of Directors of the State Department Federal Credit Union from 1959-77, and its vice president from 1971-77. He was a member of DACOR, the Georgetown Alumni Club of Metropolitan Washington, the Kennedy School of Government Association, and the Harvard Club of Washington.

He is survived by two sons, James J. Byrnes Jr. of Alexandria and Robert S. Byrnes of Reston; a sister, Mrs. Philip A. McLoughlin of Philadelphia; and two grandchildren. His wife passed away in 1979.

EMMETT O'BRIEN, a communications electronics officer with the Department of State, died August 26.

Mr. O'Brien was one of the founders of September 17, a lobbying group of secretaries and communicators. He was a previous member of AFSA's State Standing Committee and worked long hours to put forward and protect the interests of his constituents. Throughout his association with AFSA, his concern for the problems

and well-being of all members of the Service was evident.

In lieu of flowers, contributions may be made to the Visiting Nurses of North Virginia Living with Cancer Program, 3308 South Stafford Street, Arlington, VA 22206.

HARRY SPROULL CASLER, a retired Foreign Service officer in USIA, died May 26 at the Regional Hospital, Cork, Ireland, following a stroke. He was 77.

Mr. Casler was graduated from Dartmouth University in 1930. He then worked as photo editor for the *New York Herald Tribune* and contributed articles to a number of publications, including the *New Yorker*. He served in Europe and North Africa during World War II as an Air Force captain. In 1946, he entered the Foreign Service. His posts included the Hague, Panama, Caracas, Kuala Lumpur, and Saigon. He was awarded the USIA Meritorious Service Award and the Medal for Civilian Service in Vietnam.

He is survived by his wife, Rosemary Marrow Casler of Church Hill House, Enniskean, County Cork, Ireland; a daughter, Sarah TenEyck Casler; three sons, Christopher, Alexander, and Laurence; and a grandson, Noel Andrew.

ENID CUNNINGHAM HAIDL, a former employee at the embassy in Bonn, died December 17, 1985 in Vienna, of bone cancer. She is survived by her husband, Franz, of Vienna.

BERT S. FIELDEN, who held management and public affairs positions with the Department of State and USIA before his retirement from the Foreign Service in August 1974, died on June 3. He was 72.

He had held assignments as press officer in Berlin; press and film officer in Bremen; and as a press officer with the Department of the Army until 1950, when he joined the Foreign Service. Mr. Fielden was assigned as general manager of the Wiener Kurier in Vienna. He later was general manager of a radio network. He served with USIA in Berlin as deputy director for administration, Radio in the American Sector, 1957-58. He was a foreign affairs with USIA, and agency executive officer in Rio de Janeiro, Paris, and Mexico until his retirement.

His survivors include his wife and two daughters.

JOHN ZALE WILLIAMS, a former Foreign Service officer, died June 21. He was 75.

Mr. Williams was graduated from the University of Nevada and did graduate work at Harvard and Columbia Universi-

ties. He served in the Navy from 1942-44, attaining the rank of Lieutenant. He served in the Foreign Service with first the State Department and then USIA. His posts included Tampico, Mexico; the Dominican Republic; Frankfurt and Bonn, West Germany; Havana; and Guadalajara.

Survivors include his wife, Millia R., of Alexandria; a daughter, Susan J. Williams, of Philadelphia; a son, John S., a

Foreign Service officer currently serving in Vienna, Austria; and two grandchildren, Kenton T. and Alison E. Williams, both of Vienna.

THOMAS M. GAFFNEY, a retired Foreign Service officer, died May 8 in Maine Medical Center following a brief illness. He was 67.

Mr. Gaffney was graduated from Harvard University. He served as an Army

captain during World War II and was awarded three Bronze Stars and a Purple Heart. He was with counter-intelligence during the Korean war. In 1953, he joined the Department of State. He served at posts including Bangkok, Paris, Rome, Vietnam, London, and Geneva. He retired in 1972 to Wells, Maine.

He is survived by his wife, Mary Jean; two sons, Robert, of Derry, New Hampshire, and Thomas Jr., of Cambridge,

FOREIGN

ANTIQUES

SPANISH COLONIAL/LATIN AMERICAN ANTIQUES: buy-sell. Particularly interested in jewelry, silver, small furniture items. Pachamama, P.O. Box 7340, Albuquerque, NM 87154. (505)247-9669.

APARTMENT RENTALS

FARA APARTMENT RENTALS: Fully furnished efficiency, one and two bedroom apartments. One block from State Department. Competitive rates. Call (202)463-3910. Write FARA Housing, Room 2928, Department of State, Washington, D.C. 20520.

VIDEO ENTERTAINMENT

NEW RELEASES, FAVORITE FILMS, BEST SELLERS. Available in VHS and Beta. Free monthly list: Scholars World, Box 877, Severna Park, MD 21146.

I WILL TAPE TV programs for you. VHS only. Free information. BRITTON, 8703 S.E. Jardin, Hobe Sound, FL 33455.

COMPUTERS

COMPUTERS, COMPUTERS! At Un-Diplomatic Prices! Full service, training if needed while you are in Washington on leave. Any make or model configured. True portables. Toshiba, Zenith, HP. Programs for education, financial planning, real estate, word processing. Leading Edge from \$1295 complete. AT&T, Kaypro PC, Compaq, and IBM. Graphics for artists, programs for composers. Lowest prices, highest quality. Dozens of satisfied Foreign Service clients. Export licensing if necessary. SOFTGRAF USA, 10 minutes from the department. 291 S. Van Dorn, Alexandria, VA 22304. (703)370-5000 for an appointment. Telex 904 059 WASH. See advertisement this issue.

TAX RETURNS

TAX PREPARATION BY AN ATTORNEY who is familiar with Foreign Service problems. M. Bruce Hirshorn, Esquire, 4501 Arlington Blvd., #125, Arlington, VA 22203. (703)525-9519.

TAX PREPARATION AND FINANCIAL PLANNING, Single source for all your money concerns. Preparation and representation by Enrolled Agents, fee average \$195 includes return and "TAX TRAX" unique mini-financial planning review with recommendations. Full planning by CFP available. Specialized overseas service with taped communications. Complete financial network and personalized service. Milton E. Carb, E.A., FINANCIAL FORECASTS, 833 S. Washington St. #8, Alexandria, VA 22314, (703)684-1040. METRO LOCATION, 933 N. Kenmore St. #217, Arlington, VA 22201, (703)841-1040.

TAX PROBLEMS, returns and representation. T.R. McCartney (ex-FS) Enrolled Agent, and staff. Returns now completely computerized. Business Data Corp., P.O. Box 57256, Washington, DC 20037-0256. (301)731-4114. INVESTMENT GUIDANCE.

TAX COUNSELING & GUIDANCE, any problem. Never any charge to AFSA members for telephone advice. R.N. "Bob" Dussell (ex-FS), enrolled to tax practice before U.S. Treasury Dept. At tax work since February 1, 1938 and now staying at counsel mainly for aid to Foreign Service and their families. Located across from Virginia Square metro, 3601 N. Fairfax Dr., Arlington, VA 22201. (703)841-0158.

BUSINESS OPPORTUNITIES

EARN \$1000 stuffing envelopes. Rush self-addressed, stamped envelope. SLH Systems, P.O. Drawer 575, Thorsby, AL 35171-0575.

PROPERTY CLAIMS

MOVING LOSS & DAMAGE CLAIMS: Professional preparation and processing of claims for the recovery of money due from property loss and damage when moved by the U.S. government. NO UP-FRONT MONEY. Fee for this service is 10% of the amount recovered. We get all estimates. Write or call and ask for one of our agents. PERSONAL PROPERTY CLAIMS, INC. 2000 Virginia Ave., McLean, VA 22101. (703)241-8787.

PROPERTY MANAGEMENT

PEAKE PROPERTIES LTD.: Broker with experience in overseas living will give careful attention to the management of your home. Specializing in McLean, Vienna, N. Arlington, etc. 220B, 1350 Beverly Road, McLean, VA 22101. Tel: 448-0212.

WASHINGTON MANAGEMENT SERVICES: Use our TELEX service to inquire about professional services for the FS community serving overseas. Immediate response to your property management needs. Residential property management is our only business. Call, write, or TELEX Mary Beth Otto, Washington Management Services, 2015 Q St. NW, Washington, DC 20009, (202)483-3830, TELEX 350136.

TOBACCOS & ACCESSORIES

COMRADES: State run tobacco collective now allowing you to trade through the post. Offering generic tobaccos, cooperative-made cigars, and wood pipes. Write Unit TC Odesa, U.S.S.R., or better yet try Georgetown Tobacco and Pipe Stores, keeping the tradition of friendly and personalized service, offering an outstanding line of pipe tobaccos, pipes, fine cigars, books, lighters, smoking accessories, and related items. Serving the Foreign Service community since 1964. We provide fast, dependable service all over the world. 30-page catalog \$1. 3144 M Street, N.W., Washington, D.C. 20007 Box F.

Massachusetts; two brothers, Gerard Gaffney, of Salem, Massachusetts, and Kevin Gaffney, of Danvers, Massachusetts; and two sisters, Mary Wilson, of Salem, and Joanne MacDonald, of Minneapolis.

DAVID MAYNARD, a retired Foreign Service officer, died May 21 on the Isle of Wight at the Northbank Hotel in Seaview. He was 85.

He was graduated from Princeton Uni-

versity and earned a master's from Columbia University and a doctorate from the University of Chicago. After earning his bachelor's, he taught social psychology at Yenchin University in Peking for two years. Mr. Maynard also attended the University of Geneva and served briefly with the League of Nations. During the depression, he was an official of the Works Project Administration.

Mr. Maynard joined the State Depart-

ment in 1941. His posts included Lima, Bern, Tokyo, Athens, and Berlin. He served in Jamaica and Italy as consul general. Following his retirement in 1959, he taught at various colleges, including Kyoto, Hong Kong, Stanford, Foothill, and Westmont. From 1976 until his death he was an enrichment lecturer with the Royal Viking Cruise Line.

He is survived by his wife, Jane, and eight stepchildren.

EXCHANGE

BOOKS

YOUR PERSONAL BOOKSTORE AWAY FROM HOME: you can order any U.S. book in print for your own reading pleasure or that special book sent as a gift for family and friends. Store credit available. Salmagundi Books Ltd., 66 Main Street, Cold Spring, NY 10516.

IF YOU ARE LOOKING for an out-of-print book, perhaps I can find it. Dean Chamberlin, FSIO-retired. Book Cellar, Freeport, ME 04032.

CURRENT PAPERBACKS airmailed within 5 days at reasonable prices. Send for monthly list to Circle Enterprises, Box 1051, Severna Park, MD 21146.

BED & BREAKFAST

GREATER BOSTON HOSPITALITY, a Bed & Breakfast reservation service offers reasonably priced, excellent accommodations in lovely metropolitan Boston homes. Write: Greater Boston Hospitality, P.O. Box 1142, Brookline, MA 02146. Phone: (617)277-5430.

SHOPPING SERVICE

VALUEFINDERS MEANS THE RIGHT PRODUCT AT THE RIGHT PRICE. When we shop for your personal, household and gift items, we look for quality, using the judgment of an experienced shopper and often consulting product test reports. And we look for discount prices—which means that your savings may pay for our service. Whatever you need—Christmas gifts, baby things, clothing, luggage, appliances, etc.—your order will receive immediate, personalized attention. **VALUEFINDERS** has no ties to any business or product; we have nothing to sell except our ability to satisfy you. For details, write David La Voy, **VALUEFINDERS**, 1614 E Street, S.E., Washington, D.C. 20003. (202)544-5771.

REAL ESTATE

COSTA DEL SOL, SPAIN. Sun, sand, and sports by day. Fabulous cuisine, discos, and casinos by night. **MOUNT VERNON REALTY**, the Great Name in Real Estate, is now offering exclusive properties for sale in this Mediterranean paradise. Retirement, investment, second home opportunities. Prices begin at \$65,000. Financing available. Write or call Chris Lane, 6257 Old Dominion Dr., McLean, VA 22101. (703)821-8300/237-8536.

WRITING INSTRUMENTS

WORLD'S FINEST BRAND NAMES in writing instruments. Quality fountain pens, ballpoints, rollerballs and mechanical pencils from Mont Blanc, Pelikan, Waterman, S.T. Dupont, Lamy, Parker and Cross. Repair service and accessories. Fast, dependable service all over the world. Send \$1 for catalog: Georgetown Tobacco, 3144 M St. NW, Wash. D.C. 20007, Box F.

SHORT TERM RENTALS

WASHINGTON, D.C./ARLINGTON, VA, Personalized relocation, short or long term. We specialize in walk-to-Metro sales and furnished rentals. Arlington Villas, 1-1/2 blocks from Metro, luxurious studio, one, two, three bedroom. Fully furnished. Washer/dryer, microwave, cable, linens. American Realty Group, 914 North Stuart Street, Arlington, VA 22203. (703)524-0482 or (703)276-1200. Children welcomed. Pets on approval.

WASHINGTON, D.C., LUXURY APARTMENTS. 2 blks. FSI and Metro, decorator furnished, fully equipped, microwave, spa. Also, "Tom Thumb Townhouse" of Foggy Bottom, furnished, fpl., C.A.C., patio, 3 blks. State. Photos. (703)522-2588 or write Adrian B.B. Templer, 1021 Arlington, Blvd., PH 1214, Arlington, VA 22209, Member AFSA.

INVESTMENTS

INVESTMENTS, FINANCIAL PLANNING, Long Distance Management when necessary. Margaret M. Winkler, CFP, Legg Mason Wood Walker, Inc., 1747 Pennsylvania Ave. NW, Washington, DC 20006. (202)452-4000, in U.S., (800)792-4411.

FINANCIAL/ESTATE-RETIREMENT PLANNING, ASSET MANAGEMENT: E.F. HUTTON & CO., INC. G. Claude Villarreal, Financial Management Advisor, 1825 Eye Street NW, Suite 1000, Washington, DC 20006. (202)331-2528.

STOCKS, TAX-EXEMPT BONDS, FINANCIAL PLANNING, Former Foreign Service. Virginia A. Kelly, V.P., Johnston, Lemon & Co. Inc. 1101 Vermont Ave., N.W., Washington, D.C. 20005. (202)842-5342, **TELEX** (800)331-7135. Maryland office: 6305 Ivy Lane, Suite 220, Greenbelt, MD 20770. Write for free copy of S&P Outlook.

ROOMS FOR RENT

Close to Walter Reed. Cora Thornton, (202)829-7054.

EXCHANGE RATES

Classified advertising in the **FOREIGN EXCHANGE** is open to any person who wishes to reach the professional diplomatic community. The rate is 75 cents per word per insertion. Telephone numbers and zip codes count as one word each. To place a classified ad or to receive our rate card for regular display advertising, write or call the Foreign Service Journal, 2101 E Street NW, Washington, DC 20037, (202)338-4045. Checks should accompany all classified insertion orders. The deadline for **FOREIGN EXCHANGE** ads is approximately 5 weeks before the publication date.



OFFERING FINE SERVICES AND FINE PROPERTIES
IN THE WASHINGTON AREA.

EVERS & COMPANY

REAL ESTATE INC.

4400 Jenifer Street, N.W. • Washington, D.C. 20015
364-1700

BEGG Inc.

REALTORS®

Celebrating Our 36th Year

SALES • RENTALS • INSURANCE
• MANAGEMENT • INVESTMENT • COMMERCIAL •

Specializing in the management of:
Private residences and apartments. Condominium
complexes. Commercial sales and management.

Our sales staff of over 100 experienced agents
includes the following presently or formerly associated
with the Foreign Service.

Mrs. Virginia Barlerin
Mrs. Betty Battle
Mrs. Efreim Calingaert
Mr. Robert Campbell
Mrs. Wendela Carwell
Mr. Donald Maher
Mrs. Anne Hawkins
Mrs. Ilse Heintzen

Mrs. Pamela Jova
Mrs. Thane Kuhlman
Mrs. Barbara Lawrence
Mrs. Jeanne Livingston
Mrs. June Ogino
Mrs. Ellen Ozga
Mrs. Carol Regan
Mrs. Terry Walker

Main Office

2121 Wisconsin Ave., N.W. Washington, D.C. 20007
202-387-2480

For Caribbean and European properties:

Begg International Inc. 202-338-9065

telex no: 440036



Chevy Chase Office
202-686-9556

McLean Office
703-893-2300

Potomac Office
301-299-6800



Statement of ownership, management and circulation (Required by 39 U.S.C. 3685) 1A. Title of publication: Foreign Service Journal 1B. Publication no.: 00157279 2. Date of filing: Oct. 1, 1986 3. Frequency of issue: Monthly except August 3A. No. of issues published annually: 11 3B. Annual subscription price: \$15.00 4. Complete mailing address of known office of publication: 2101 E Street NW, Washington, D.C. 20037 5. Complete mailing address of the headquarters of general business offices of the publisher: 2101 E Street NW, Washington, D.C. 20037 6. Full names and complete mailing address of publisher, editor, and managing editor: Publisher: American Foreign Service Association, 2101 E Street NW, Washington, D.C. 20037 7. Editor: Stephen R. Dujack, 2101 E Street NW, Washington, D.C. 20037 8. Owner: American Foreign Service Association, 2101 E Street NW, Washington, D.C. 20037 9. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: American Foreign Service Prot. Assn., 515 22nd St. NW, Suite 600, Washington, D.C. 20037 10. For completion by nonprofit organizations authorized to mail at special rates: (1) has not changed during preceding 12 months 10. Extent and nature of circulation: Average no. copies each issue during preceding 12 months: A. Total no. copies: 10,300 B. Paid and/or requested circulation: 1. Sales through dealers and carriers, street vendors and counter sales: 0 2. Mail subscription: 9,228 C. Total paid and/or requested circulation: 9,228 D. Free distribution by mail, carrier or other means samples, complimentary, and other free copies: 500 E. Total distribution (sum of C and D): 9,728 F. Copies not distributed: 1. Office use, left over, unaccounted, spoiled after printing: 572 2. Return from News Agents: 0 G. Total (sum of E, F and 2): 10,300 Actual no. copies of single issue published nearest to filing date: A. Total no. copies: 10,300 B. Paid and/or requested circulation: 1. Sales through dealers and carriers, street vendors and counter sales: 2. Mail subscription: 9,199 C. Total paid and/or requested circulation: 9,199 D. Free distribution by mail, carrier or other means samples, complimentary, and other free copies: 500 E. Total distribution (sum of C and D): 9,699 F. Copies not distributed: 1. Office use, left over, unaccounted, spoiled after printing: 601 2. Return from News Agents: 0 G. Total (sum of E, F and 2): 10,300 11. I certify that the statements made by me above are correct and complete. (signed) Stephen R. Dujack, Editor

Specializing in
**PROPERTY
MANAGEMENT**



Property Specialists, Inc.

A professional and personal service tailored
to meet your needs in:

- Property Management
- Sales and Rentals
- Multiple Listings
- Real Estate Investment Counseling

Donna Courtney
Broker

Fran Palmeri
Property Manager

4615 Lee Highway Arlington, Virginia 22207
(703) 525-7010 (703) 247-3350

Serving Virginia, Maryland and D.C.

SPRING PLANTING!

*Coming home in Summer '87?
Then you need to
Plant the seeds
NOW
For your future.*

*Consider your goals-
Larger house? Smaller house?
A big apartment?
Whether you buy, sell, or rent
WE CAN HELP!
Write or call*



202-363-9100

4801 Mass. Ave., N.W., Washington, DC 20016



LEASING AND PROPERTY MANAGEMENT BY
Stuart & Maury, Inc. Realtors

Results since 1956

For over 30 years we have professionally
MANAGED AND LEASED
thousands of residential & condominium properties.



Our experience—Personal Inspections,
Monthly Statements and In-house Guidance—
TAKE THE WORRY OUT OF RENTING

If you are considering renting your
HOME OR APARTMENT
Call Susan Bader for more information

(202) 244-1000

5010 Wisconsin Avenue, N.W.
Washington, D.C. 20016

Excellent references upon request

*Will Your Home Still Be A
Castle When You Return?*

Personalized Property Management by Mrs. Wyatt

- Serving Foreign Service personnel since 1959.
- Planning for necessary expenditures
- Leases tailored to fit owners' needs
- Updates on real estate laws and regulations
- Frequent inspections • Sales
- Licensed in D.C. and Maryland

Call Mrs. Wyatt — 202/362-7397



WALSH, MESMER & ASSOCIATES, INC.

5000 Hurst Terr., N.W., Washington, DC 20016

Sales, Rentals, Investments
and

Careful, Expert Property Management
D.C., Maryland, and Virginia



BARBARA ABEILLE
MECHTHILD BIRZNIEKS
PATRICIA GARRISON BOORMAN
ROSEMARY DIRCKS
WENDY GUILLOU
MARY HANSTAD
CAROLE B. HERSMAN
JOSEPHINE HOLLIDAY*
LYNN MOFFLY MAGRUDER*
ISABELLE MACKIE
JOHN Y. MILLAR*
MARGARET MOSELEY
DIANE NOBLE
SUZY H. NORTH
CAROL OWENS*
SUSAN RAEHN
CAROLINE RAYFIELD
ROBERT W. SKIFF*
WILLIAM C. TRUEHEART*
JOHN TURNER*
VERA WILLIAMS

(202) 362-4480

MGMB, inc. Realtors

Foxhall Square • 3301 New Mexico Avenue
Washington D.C. 20016

*Foreign Service

Associated firms in England and France

JOEL TRUITT

PERSONAL TOUCH

Construction: Under my direction, we are general contractors with broad capability and over 10 years experience, ranging from authentic restoration, remodeling, new construction, repairs, design and drafting.

Property Management: For private residences, multi-unit and commercial property, and condominium associations.

JOEL TRUITT—BUILDER—PROPERTY MANAGEMENT
737 Eighth Street, Southeast, Washington, D.C.
547-2707 — Quality Since 1972

SANDOZ & LAMBERTON

INCORPORATED

Specializing in the rental and care of fine residential property throughout the metropolitan area. Sandoz & Lambertson offers highly personalized service including detailed semi-annual status reports, frequent correspondence, updated rent control information if it pertains, and coordinated insurance protection, as well as monthly computerized financial statements. For more details please contact our property management department.

5100 Wisconsin Avenue, N.W., Washington, DC 20016

(202) 363-9800

Real Estate Since 1921



Barbara McRee,
CPM
Property Manager



**WE DO OUR HOMEWORK
24 HOURS A DAY . . .**

Families on the move contact us for full-time professional property management. We've been the industry leader in property management since 1953 thanks to thousands of satisfied property owners worldwide. We're in business to be the best!

Laughlin Inc., Realtor

P.O. Drawer 550, McLean, VA 22101

(703) 356-6520



Anne Haines
Gonzalez
Property Manager

ASSOCIATION NEWS

AFSA seeks to negotiate limits to order mandating drug tests

The Association is moving on two fronts to limit the possible negative effects of an executive order issued by President Reagan in September that allows agencies to impose mandatory drug tests on employees in "sensitive" positions. Secretary Shultz has said that he favors mandatory testing programs and, because of their security clearances, all 13,000 members of the Foreign Service could be subject to the tests.

AFSA filed an amicus curiae brief with the Federal Labor Relations Authority that seeks to define in the broadest possible terms those elements of any testing program that are subject to labor-management negotiation. At the same time, the Association informed management that it wants to negotiate its implementation of the executive order. As reported last month, AFSA had issued a press release praising President Rea-

gan's call for a drug-free workplace but insisting that mandatory drug testing without probable cause is unconstitutional. The Fourth Amendment invokes that standard in the case of governmental searches and seizures.

The order provides that employees will be given a one-time 60-day warning of the onset of the testing program. Those testing positive in the screening will be retested, though the order does not specify how. Employees who fail the second test will be offered rehabilitation, though they will be placed on suspension during that time. Those who refuse, or who fail during a later testing round, will be fired.

Even though the program is somewhat restricted from earlier proposals—which called for no warnings and instant firings—it could still mean that innocent persons will be subject to interruptions in if not damage to their



AFSA Governing Board member James Derrick is interviewed by an ABC World News Tonight reporter on the Association's opposition to mandatory drug testing of federal employees.

careers. Even the double-testing method allows at least one percent false positives, under ideal conditions. Thus a minimum of 130 Foreign Service employees could be falsely branded as drug users and suspended temporarily during each round of testing, unless we can negotiate proper implementing regulations. Because testing a world-wide workforce is bound to involve additional inaccuracies, results could be far worse.

AFSA Awards deadline

The deadline for submission of nominations for the Herter, Rivkin, Harriman, and Bohlen awards has been changed to January 15 from the original deadline of December 15. The deadline for submitting Sinclair Language Award nominations remains December 15.

Concern voiced over evac policy

The Association has expressed concern over the State Department's emergency notification and evacuation procedures, after a leak of toxic chemicals forced several department employees to be hospitalized.

AFSA employees in the union office in State only found out about the leak when informed by colleagues in the Association's headquarters building at 2101 E Street who saw the rescue equipment assembled outside the 21st Street entrance. According to witnesses, no public announcement was made nor were employees informed. Two AFSA employees who went to investigate encountered two men in toxic-protection suits, who told them to leave the building.

Even so, they had difficulty leaving because the 21st Street entrance is shut for repairs and D Street was apparently sealed off because of the leak. "As far as we are aware," the Association wrote in a letter to management, "no other employees of the department were even notified of the chemical leak. No measures were taken to evacuate employees."

Complaints about safety at the main State building are not new. On May 2, 1985, the *Washington Times* asked in a report on a fire the previous day, "If the State Department caught fire, would anybody there know it?" During an evacuation because of a bomb scare in June 1985, "the order for the evacuation was spread unevenly, by word of mouth and by telephone," *State* magazine editor Sanford Watzman wrote in the *JOURNAL* last winter. "Most employees were not aware of it."

Firm takes over Foreign Service Club management

Since the second week of October, Pioneer Management, Inc., has been managing the Foreign Service Club, formerly operated directly by AFSA. PMI is a restaurant and service corporation based in Washington. The Association will maintain its ownership of the Club, which will continue serving the AFSA membership. All previous bookings will be honored. The new management will accept major credit cards but will no longer be able to charge meals to AFSA accounts.

The three principals of PMI are Daniel Wang, Kevin Lee, and Kenny Hsieh. Together they bring decades of professional restaurant experience and graduate-business-school management know-how. PMI closed the facility for a short time in Oc-

tober for remodeling and renovation. The management has planned a grand opening party for members to introduce its new look and new menu, featuring both American and international cuisine.

In addition to its expanded lunch hours of eleven to three, the Club will be open from three to seven for happy hour (with free hors d'oeuvres) and from five to ten for dinner. As always, private parties or other special gatherings, meetings, seminars, etc., are welcome. Call 333-8477 for information.

The decision to change management was made in September by the AFSA Governing Board to eliminate the Club's drain on Association resources. By next July, AFSA hopes the Club will be a source of revenue.



Letter from the President

AFSA Needs Your Help to Help State Fight Cuts

By Gerald Lamberty, AFSA President

A new source has confirmed the dire picture facing the foreign affairs agencies that we portrayed in this space last month. That source is the State Department itself. In a "management issues" cable sent out to all posts in September, the department noted the following disturbing facts:

■ "The budget picture for fiscal year 1987 is coming into focus and it looks grim," the cable stated. Congress will be cutting "our already lean" salaries-and-expenses request by yet another 14-24 percent;

■ "Cuts of this magnitude leave us no choice but to consider closing more overseas posts; we are considering closing 18 more consulates and four small embassies";

■ "The House... appropriated \$206 million of our \$304 million [anti-terrorism and espionage] security request; the Senate axed our entire [security] request for fiscal year 1987";

■ "The Foreign Building Office's regular budget plus the Inman security construction program fared no better.... The House cut our request by 65 percent"; and finally,

■ "The budget picture gets even worse when you consider that we will have to make room in

our already anemic budget for at least \$103 million in mandatory cost increases and critical program enhancements. Included in this \$103 million is the cost of mandatory wage and price increases, the proposed federal pay raise effective in January...." All these cuts won't even be the end, however. After all that damage, State "will have to cut back still another \$127 million."

We have won most of the battles in the four-year existence of the Legislative Action Fund. Here are some examples: Because of the work of the coalition of federal-employee unions to which we belong, the new federal retirement system that covers employees hired after 1983 preserves all the essential features of the old system and even offers some advantages. Because of our aggressive individual lobbying about the unique nature and requirements of the Foreign Service, the foreign affairs agencies still manage our annuities. We have won other battles as well. We beat back a midnight move to allow the director general to be a political appointee. We kept Congress from severing the Senior Foreign Service from our bargaining unit. We won compensation for hostages

and other victims of terrorism.

But the battles are getting tougher, and we have recently sustained our first losses. Retirees lost their COLA for 1986, although we got legislation passed guaranteeing them for the rest of the decade. And future retirees lost their three years in which to recover their already-taxed pensions without paying further taxes.

The agenda painted above by the department, however, means more than attacks on retirees and retirement. It means salaries and jobs.

We need to persuade our legislators on Capitol Hill that the work of the Foreign Service is not only essential to the security of our nation but that investment in a highly qualified, highly moti-

vated, and thoroughly professional Foreign Service is a wise and thrifty one. The entire annual operational budget of the foreign affairs agencies is less than one day's spending by the Pentagon. We must convince the Congress that there could be a severe cost in cutting back on our presence overseas, a cost in conflicts that do not have to be waged, in young soldiers' lives that do not have to be lost, in trading opportunities that do not have to be missed, in prestige and influence that do not have to be irrevocably damaged.

But all this costs money, and that's where we need your help. More than one-fifth of you have given to our two previous Legislative Action Fund campaigns, money that I think you will agree was well-spent and extremely productive. But we need your help again. Contributions to the LAF are tax-deductible, and the fund is non-partisan. Please mail in your check today. Donors' names will be printed in this space unless they choose to remain anonymous.

Association moves to safeguard employee rights in lie exams

AFSA has protested a State Department policy that attempts to get around employees' "Weingarten rights" by using a policy straight from *Catch-22*. The right, embodied in the Foreign Service Act and other federal statutes, entitles employees to union representation during investigations that may result in disciplinary actions.

The dispute arose when an employee under investigation for allegedly violating department regulations was asked to take a polygraph examination by the Diplomatic Security Service. The employee asked that an AFSA representative be present during the exam, but the department refused. The employee subsequently took the polygraph without AFSA representation.

AFSA immediately protested this violation, and State responded with a letter contending that none had occurred. Management argued that the

department only administers polygraph exams on a voluntary basis, and only if employees waive the right to representation. Since employees can choose whether or not they wish to waive their right to representation, management contends the department's conduct is not coercive and does not violate Weingarten rights.

Technically, subjects of an investigation do have the option of refusing an exam, but there are many pressures that could lead them to take exams against their will. AFSA has found that employees asked to take a polygraph may submit to it simply because they fear that their refusal would be viewed as an implication of guilt. Employees are often told by Security that they will be exonerated if they can pass a polygraph examination, an additional enticement. AFSA will continue in its efforts to protect its constituency from such infringements of employee rights.

State action called legal breach, leads to ULP

The Association has filed an unfair labor practice suit, charging the State Department with breach of a negotiated agreement and a violation of labor-management ethics. The suit results from the department's unilateral alteration of the open assignment system, which stipulates that it can only be changed by agreement of both parties. The pact, signed in August 1985, was meant to run for two years, and management's alterations have come during the second year.

In September, AFSA received a copy of the department's 1987 Open Assignment notice. The notice contains a number of important substantive and procedural changes from the agreement. AFSA was not consulted regarding the changes, in violation of the agreement. AFSA subsequently contacted management to request that it abide by the terms of the agreement, but State refused. AFSA then filed the suit with the Federal Labor Relations Authority which decides such cases.



Managing Your Money

How Tax Reform Will Affect the Foreign Service

By Sabine Sisk, *Director of Member Services*

The Tax Reform Act of 1986 is being hailed as the most sweeping revision in the revenue code since the adoption of the federal income tax in 1913. It is a complex document whose impact and provisions will be debated and amended over the years. In fact, Congress is already contemplating the Tax Corrections Bill of 1987, which would revoke or adjust many of the reform provisions. Accountants, tax advisers, and financial planners are predicting a busy season as taxpayers come to grips with the changes.

Is it fairer and simpler? That depends. Taxpayers earning less than \$20,000 or more than \$120,000 will benefit most, and those below poverty level will be paying no taxes at all. For those who are single, earn less than \$20,000, and don't itemize, filing returns will remain simple and refunds will become larger. But workers earning salaries typical of Foreign Service families won't notice much change or may even find that their bill will go up, especially next year. This is because the tax rates will not be fully lowered until 1988, while many deductions will be curtailed or eliminated as of next January 1.

Some provisions of the new law will not take full effect until the following year, others will have a phase-in period, and a few will take effect retroactively. This includes the repeal of the three-year recovery rule, which was passed against virtually all predictions. Under this provision, Foreign Service personnel could recover in a non-taxable lump sum their already-taxed contributions to their retirement fund. Although the bill wasn't signed into law until October, the repeal affects all those retiring since July 1. Several bills have been introduced to eliminate or mitigate this "fundamental breach of faith."

All taxpayers should study analyses of the new act and take appropriate action to reduce

their tax burden. Except for its retroactive provisions, the law begins to take effect in the 1987 tax year. You may be able to shift investments and consider other transactions to save you some tax dollars before year's end. Alternatively, you might want to sit tight before making major moves, since the individual tax rate, personal exemption, and standard deduction will get better in the second year of the act.

What follows is a summary of the major features of the bill. It is intended to serve as a guideline; although we tried to be as accurate as possible, it will take many months to fully analyze the 925-page law and its implementing regulations. Please note that transitional provisions only apply in 1987 unless otherwise noted. As in the past, we emphasize areas affecting Foreign Service personnel. Employees who have considerable investments or complicated tax returns should contact their tax advisers for specific guidance. Our annual FOREIGN SERVICE TAX GUIDE will appear in the February issue and will concern your 1986 taxes, which generally are not affected by the new tax code.

Rates: The new law does away with the current 15-tier system. Beginning in 1988, there will be two rates for individuals, 15 and 28 percent. There is, however, a third "hidden" rate of 33 percent because there is a 5-percent surtax that kicks in for the portion of adjusted gross income over \$56,000 for singles, \$92,000 for joint returns, and \$68,000 for heads of household. This is because, beginning in 1988, the personal exemption is phased out for upper earners at these levels. On the other hand, 33 percent is still a good deal less if you are now in the 50-percent bracket. 1987 will have a transitional, five-tier system ranging from 11 to 38.5 percent, which represents about three-fourths of the tax cut.

Standard deduction: Foreign

Service employees who do not itemize will be pleased to note that in 1988 the standard deduction (now called the zero bracket amount) will go up from the current \$2480 to \$3000 for singles, from \$3670 to \$5000 for joint filers, and from \$2480 to \$4400 for heads of household. Except for those blind or over 65, the deduction is not as generous in 1987: amounts are \$2570 for singles and heads of household, and \$3800 for married filing jointly.

Personal exemption: The bill provides for a chunky increase here, in recognition of the fact that personal exemptions have not been adjusted for inflation. For 1987 the exemption rises from \$1080 to \$1900. Another \$50 is added in 1988 and another in 1989. Thereafter, it will be indexed for inflation. This is one of the few areas where employees with large families come out ahead.

The law repeals the two-earner deduction of up to \$3000, thereby reintroducing the marriage penalty. Most couples, however, will not be in any worse shape than this year, since the wider tax brackets, lower rates, and larger standard deduction will help mitigate the problem.

Effective January 1, children who must file a return can no longer claim their own exemption when claimed as a dependent on their parents' return. However, they may use up to \$500 of the standard deduction to offset unearned income.

Custodial accounts: Putting money into a custodial account for the kids will no longer shelter you from taxes—even if the account was established prior to January 1—unless the child is over 14 years old. Any custodial account for a younger child will be taxed at the parents' rate, rather than the child's.

Income averaging and the **dividend exclusion** are repealed as of January 1, as is the partial exclusion for **unemployment compensation**.

Scholarships and fellowships: The exclusion from tax for scholarships and fellowships will be severely limited. Effective August 16, 1986, only degree candidates qualify and only for tuition, course-required fees, and books. There is no exclusion for room and board. In addition, grants or tuition reductions that represent payments for teaching, research, or other services, including future services as a federal employee as a condition for receiving the grant, no longer qualify for the tax exclusion.

The credit for **child and dependent care** was retained, but was repealed for **political contributions**.

Individual retirement accounts: Despite considerable limitations for individuals covered by a pension plan, individual retirement accounts will remain a valuable tool for Foreign Service personnel for building retirement savings. For tax year 1987 and beyond, only employees whose AGI is less than \$40,000 (\$25,000 for single filers) will be eligible to fully deduct IRA contributions up to \$2000 (or \$2250 for couples with one wage earner). For those with incomes above this threshold but below \$50,000 (\$35,000 for singles), IRA contributions will remain partially deductible. These limitations apply to all Foreign Service personnel, including those whose retirement benefits are not yet vested, i.e., those with less than five years of service, since they are considered to be building potential benefits. For many of you, 1986 will be the last time you can receive a full deduction. You do have until April 15 to make your 1986 contribution.

Many will discover a new form of marriage penalty built into the new IRA rules, since no deduction is allowed where the joint income exceeds the previously noted maximums even where a working spouse is not eligible for an annuity. However, if you decide to stop contributing into your IRA in the future you may be passing up an opportunity. While you may no longer get any or part of the deduction from gross income, you will still be able to contribute \$2000 a year and defer taxes on the interest

Itemized Deductions

With the increase in the standard deduction and limits placed on itemized deductions, many Foreign Service employees may find they will be better off as non-itemizers under the new law. Following are some of the new provisions for itemizers:

State and local taxes: Effective January 1, local sales tax may no longer be deducted. If you are planning a major purchase such as a car, boat, or furniture, don't delay. The tax bill does retain the itemized deduction for state and local income, real estate, and personal property taxes.

Medical expenses: Beginning in 1987, only medical expenses exceeding 7-1/2 percent of adjusted gross income are allowed. This means that if your AGI is \$30,000, only those medical bills that exceed \$2,250 may be deducted. Previously, expenses over 5 percent (or \$1,500 in the above example) were deductible.

Charitable contributions: No changes for itemizers. For non-itemizers, charitable contributions are fully deductible for 1986 but not thereafter.

Adoption expenses: Beginning in 1987, the deduction for costs of adopting special-needs children is repealed.

Employee business expenses: Under current law these deductions are taken from gross income and are allowed whether one itemizes or not. Beginning next year, only 80 percent of expenses for meals, travel, and entertainment may be deducted. In addition, most of these adjustments to income will be considered miscellaneous deductions and will be allowed only if itemized and only to the extent they exceed 2 percent of AGI. This clearly affects typical Foreign Service deductions, such as **home leave, representation, and official residence expenses.** For example, a single Foreign Service employee with \$30,000 AGI who incurs \$1000 in home-leave expenses would only be able to deduct \$200. If in the 28 percent tax bracket, the actual tax savings would be \$56. These are, of course, further reduced because of the loss of the \$3000

standard deduction. The same limits will be placed on unreimbursed entertainment expenses.

Senior officers subject to a 5-percent mandatory salary deduction for their share of official residence expenses currently receive a full tax deduction on that amount. This is only fair because the agencies report the officer's entire gross salary on the W-2 form and withhold federal taxes accordingly. AFSA has written to the IRS requesting clarification as to treatment of these expenses under the new law. In addition, the Association has proposed to management to change its reporting methods and prepare W-2 forms that indicate the actual salary these senior officers receive rather than the scheduled salary for grade and step.

Moving expenses: Unreimbursed moving expenses are allowed only as itemized deductions, but are not subject to the 2 percent floor of AGI.

Miscellaneous expenses are deductible only to the extent they exceed 2 percent of AGI. In addition to those noted above, this also includes employment and education expenses, home office expenses, legal, accounting, custodial, and tax preparation fees. Union and professional dues and publications, and your annual contribution to AFSA's Legislative Action Fund, are also affected. For maximum tax benefit you may want to send your contributions before the end of this year.

Consumer loans: The interest expense deduction on your credit card, car, education, and other consumer loans—as well as on interest paid to the IRS for back taxes—will be phased out over the next four years. In 1987 only 65 percent of the interest may be deducted. That percentage drops to 40 in 1988, 20 in 1989, 10 in 1990, and disappears altogether thereafter. There are some exceptions, such as interest on loans for certain investments that are deductible up to the income from the investments. By the way, if you are in the unfortunate position of owing back taxes and are unable to pay all at this time, at least send the IRS a check for the accrued interest before De-

cember 31. This is perfectly legal and gives you a last chance for a full deduction. To avoid any misunderstanding, include a note with your payment informing the IRS that you want the check to cover the interest first.

Mortgage-interest deduction: Even after tax reform, your home will probably remain your best investment. The new law preserves the mortgage interest deduction for your primary residence and a second home, and you can continue writing off your property taxes. You need not occupy the second home, and you qualify for the deduction whether the property is empty or rented. The deductions may, however, be worth less because of the lower tax rates.

Interest deductions on second trusts and home equity loans taken out after August 16, 1986, will be limited to debts up to the original purchase price of the home plus the cost of improvements. However, interest is fully deductible in excess of the purchase price and improvements, up to the fair market price of the home, if the loan is for educational or medical purposes.

If you are contemplating selling your home, tax reform won't hurt you as long as you qualify for the **deferral or exclusion** from capital gains. The bill retains the provisions that allow you to roll over the profits from sale of a home as long as you replace it within two years (four if overseas) with another residence of equal or greater value. If you are 55 or older, you can still take the one-time \$125,000 capital gains exclusion without having to reinvest in another home, as long as you meet the three out of five year residency rule.

Capital gains: Due to continued service abroad, many Foreign Service homeowners rent their houses and cannot meet the occupancy requirements under the deferral and exclusion rules. Under IRS rules, their homes are therefore treated as investment property, and capital gains must be paid upon sale. These provisions are drastically changing under the new law.

Currently, 60 percent of long-term capital gains is excluded from tax, and the remaining 40

percent is taxed at the individual rate with a maximum of 20 percent. Beginning January, capital gains will be taxed at the same rate as ordinary income, but not to exceed 28 percent. Despite the lower tax rates you could easily end up paying twice as much as you would this year. In 1988 the 28-percent cap will disappear, and you could be paying as much as 33 percent on the gain of your property.

Mortgage-interest expenses, depreciation costs, taxes and cost of improvements of investment properties may still be offset against the income received. If you regularly rent out your property, the size of your deductions will be determined by whether you actively manage it and how large your income is. You may deduct up to \$25,000 of the house's annual losses or expenses against total income not to exceed \$100,000. We will have to wait for IRS rules on what constitutes active management, particularly for Foreign Service personnel who retain property managers while serving overseas. We will be reporting on this and other aspects of active and passive investments, including limited partnerships, in future financial planning articles in the ASSOCIATION NEWS.

Depreciation: If you are a landlord, you can currently deduct the full value of your house over 19 years, deducting a larger portion in the early years. Effective January 1, deductions must be taken in equal amounts over 27-1/2 years for residential rental property and 31-1/2 years for commercial property. For property previously owned, the depreciation rules in effect at the time of purchase apply, even if the house was not rented at that time.

Refinancing: One final point of interest and possible concern to those Foreign Service members who refinanced this year to take advantage of lower interest rates. In this instance the new tax code is not the culprit, rather IRS clarification of an existing rule. In an internal ruling issued in May, the IRS announced that points paid in connection with refinancing of a home mortgage may be deducted only if spread over the entire life of the mortgage.

Responses to query on child care show concern, division

More than one hundred posts and individuals responded to AFSA's request for comments on what policies should be followed regarding child-care expenses incurred by single parents or tandem couples while attending training at the Foreign Service Institute. We requested the comments because of complaints we have received from working parents who believe it is unfair that non-working spouses attending training at FSI receive reimbursements for child care, while employees do not. As it turned out, the child-care grants for spouses were discontinued earlier this year because of the deficit-reduction exercise, and AFSA's proposal to extend the benefit to employees was rejected for the same reason.

Comments showed that finding temporary child care in the Washington area is difficult, time

consuming, and expensive. We also received several replies opposing AFSA's involvement in this issue. As one individual wrote, "I completely oppose AFSA pressing for yet another fringe benefit for employees who are already over-favored as compared to those without children," and two posts felt that the government should not be required to pay for child care. The majority of replies, however, read like this: "It is nearly impossible to locate facilities close to one's temporary residence. Employees often do not have adequate time to fully evaluate day care facilities." Or: "It's hard to get child-care even if you are willing to pay through the nose for it." The AFSA rep at one African post noted: "General observation of working parents is that the difficulty of locating adequate and reliable child-care

services and the attendant out-of-pocket costs seriously hamper their ability to take full advantage of training periods."

Many employees resolved this problem by leaving their children in the care of relatives. Several parents reported that they arranged for the child's babysitter or governess from a previous post to come to the United States to care for the child.

Costs cited for child care varied, ranging from \$55-200 a week. Prices fluctuated in part because of different registration fees, costs for transportation, lunches, and before-and-after-school care. Many posts complained about the problem of locating good child care on short notice because of lack of referral services, and suggested that the State Department, the Family Liaison Office, or AFSA provide such a service or establish a day-care facility at FSI on a pay basis. We met with department officials and asked about the

feasibility of a day-care establishment at the new FSI center, which is scheduled to open in 1991. The chances are slight, however, given the lack of space, wide age groups to be cared for, high expense of liability coverage, licensing requirements, different needs of parents and children, as well as increasing availability of quality facilities in the area.

Both FLO and the Overseas Briefing Center have referral files for day care. They are somewhat outdated, but the former office now has a copy of an excellent, current reference called the *Mothers at Work Book*. It surveys more than 400 preschools, day-care centers, nursery schools, and before-and-after programs and coops in metropolitan Washington. The book may be reviewed at the FLO office or ordered from Metropolitan Mothers at Work, 6917 Arlington Road, Suite 303, Bethesda, Maryland 20814. Enclose \$8.95 plus \$2 for handling.

Wickert named JOURNAL assistant editor

William Wickert was named assistant editor of the JOURNAL, Editor Stephen R. Dujack announced. He replaces Nancy Bartels, who will be undertaking studies toward an MBA at University of Chicago.

Wickert comes to the JOURNAL from Specialty Publications, where he was an account executive and marketing director. He also was a free-lance writer for *Harmonics*. In addition to his advertising and marketing experience, he has expertise in computer publishing applications. He is a graduate of American University, where he majored in print journalism.



Bazar named new legal assistant

Christopher Michael Bazar has been named legal assistant in the Labor-Management Relations Office, General Counsel Susan Holik announced. He replaces James P. Joseph, who left to undertake studies toward a law degree at Georgetown University.

Bazar was coordinator of a campaign finance study with Washington On-Line, working with a computerized data base and training and managing personnel there. He was also a legislative information consultant, conducting needs analyses of legislative retrieval methods. He is a graduate of Dartmouth.



Emmett O'Brien mourned, former State Standing member

The Association lost one of its most valued members last summer, when Emmett O'Brien died of cancer.

O'Brien was a member for several years of AFSA's State Standing Committee, where "he worked long hours to put forward and protect the interests of his constituents," the Association said. He was also a founder of September 17, a lobbying group of secretaries and communicators. "Throughout his association with AFSA, his concern for the problems and well-being of all members of the Service was evident."



Management, foundation quake at softball invitations

Both State Department management and the Heritage Foundation have turned down Association requests to move their disputes to the softball diamond. The Association had threatened that strikes would occur during any contests.

Management declined the offer when it discovered that softballs were considered a consumable item and that it could not spare any backstop officers. Heritage could not put together a team because nobody would play left field.



Treasurer's Report: FY 1986 Audit Results

By Samuel Mok, AFSA Treasurer

This year the treasurer's report has a new look. As was announced in AFSA's ANNUAL REPORT [October], we recently hired the international accounting firm of Coopers & Lybrand to perform our annual audit. They have just finished this task, allowing me to release the audited financial statements and the accompanying footnotes to the membership, along with the auditors' opinion letter. This is similar to the information the stockholders would get from a publicly held corporation. By examining this material and the statement in the ANNUAL REPORT, you should gain a good understanding of the state of the Association's finances.

Admittedly, this is a lot of information and many technical terms to digest. But I believe all dues-paying members have a right to know and a responsibility to understand the financial state of your organization and how well your directors are discharging their fiduciary obligations. Reading and understanding the financial statements is an important first step.

We have decided not to present the Association's fiscal year 1987

budget to the membership at this time. The budgeting process at AFSA is not yet very sophisticated, and we do not have the capability to perform the kinds of periodic analyses that would make the budget a meaningful tool. Before I leave as treasurer next summer, I intend to put into place a functioning budget process and a financial control system that will allow AFSA to manage itself more effectively and efficiently.

One of our major goals for the coming year is to lessen the Club's financial dependence on the Association. After more than a decade of operating losses, it is expected to become a source of income in July 1987. In October, an outside contractor took over the Club management [see related story]. In return for the right to operate, this contractor will guarantee AFSA a flat usage fee (adjusted for inflation and business volume) for ten years starting next July 1. Please support your Club and invite your friends in Washington to become associate members and thus eligible to use the facilities for dining and giving catered parties.

We are now looking into the possibility of making a modest investment in updated technology to enhance the productivity of the JOURNAL. We shall have more information available at a later date, pending more research.

Finally, I plan to provide a treasurer's report to you on a more frequent basis. The next one will appear in the March issue, and the content will again be similar to a stockholder report. In the meantime, if you have any questions, please don't hesitate to send them to me at AFSA.

Take advantage of special benefits offered members

The Association offers a substantial package of benefits to members beyond the obvious ones such as your JOURNAL subscription. A number of publishers and other suppliers of goods and services of interest to the Foreign Service community offer discounts through AFSA. Below is the current list of available discounts; contact the organization directly, and be sure to include your membership number.

Foreign Affairs. The special AFSA rate of \$20 is 20 percent off the regular fee. Write Foreign Affairs, Subscriber Service, PO Box 2615, Boulder CO 80321. (Add \$6 for foreign postage.)

Foreign Policy. The special AFSA rate of \$15 is 25 percent off the regular fee. Write Foreign Policy, Subscription Department, PO Box 984, Farmingdale, NY 11737. (Add \$5 for foreign postage.)

Soviet Studies. The special AFSA rate of \$50 represents a \$5 discount. The offer is limited to new subscribers with U.S. and Canadian mailing addresses, including APO and pouch. Write Soviet Studies, PO Box C-399, Birmingham, AL 35283.

The Middle East Journal.

The special AFSA rate is \$21.25, nearly a \$5 discount. Write the Middle East Journal, Subscriber Service, 1761 N Street NW, Washington, DC 20036. (Add \$9.50 surface rate on foreign postage.)

The Washington Quarterly. The special AFSA rate of \$17 is 15 percent off the regular fee. Write the MIT Press, 28 Carleton Street, Cambridge, MA 02142. (Add \$4 for foreign postage.)

The Washington Post National Weekly Edition. The special AFSA rate of \$35 is 10 percent below the normal rate. Write the Washington Post, Circulation Department, 1150 15th Street NW, Washington, DC 20071.

Book Discounts. Get 10 percent off any book in print. Write the Marine Corps Association, Box 1775, Quantico, VA 22134.

United Buying Service. Special discounts on all makes of cars and major appliances. The UBS catalog may be seen at the AFSA headquarters building or contact UBS at 5480 Wisconsin Avenue, Chevy Chase, MD 20015. Telephone (301) 657-1920 in Chevy Chase or 792-9070 in Baltimore.

Hertz Car Rental. Please con-

tact the Hertz Corporation for special AFSA rates.

State Plaza Hotel. Government rate for all members. Please contact the hotel manager at 2117 E Street NW, Washington, DC 20037, (800) 424-2859.

The Capitol Hill Squash Club. Squash memberships without the annual membership fee or initiation fee. By simply showing your AFSA membership card, you will only pay the court fees and an annual \$20 processing fee. Free use of changing rooms, showers, and saunas before and after. Some restrictions apply. Capitol Hill Squash Club, 214 D Street SE, Washington, DC 20003. (202) 547-2255.

Export Services International. Finally, someone has developed a complete "welcome kit" of high-quality household items to get you and your family's housekeeping started as soon as you arrive at post. AFSA members will receive a seven-percent discount on all purchases. ESI has a variety of kits which can include appliances, linen sets, flatware, kitchen utensils, cleaning aids, and much more. For more information contact ESI at 2710 Ontario Road NW, Washington, D.C. 20009, (202) 232-5031.

—MYRIAM PARKER DUNCAN

AFSA honors Harriman with gift

The Association honored W. Averell Harriman, former governor of New York, ambassador, and undersecretary of state, who died last summer, with a gift to the Harriman Institute of Soviet Studies at Columbia University in New York.

Harriman was a long-time friend of the Foreign Service and benefactor of the Association. He annually funded the W. Averell Harriman Award for junior officers displaying intellectual originality and creative dissent, and his wife, Pamela, created the Avis Bohlen Award to honor a member of a Foreign Service family who had done the most to advance American interests at a post "in the manner of the late Avis Bohlen."

Last year, in making Harriman an honorary AFSA member, then President Dennis K. Hays said that the former ambassador was one of the few to whom the Foreign Service universally referred when noting the benefits of competent service to the country of an ambassador from outside the Service. "At this calibre," said Hays at the time, "we'll take all we can get."

We have examined the combined balance sheet of the American Foreign Service Association and associated organizations as of June 30, 1986, and the related combined statements of support, revenue, expenses and changes in fund balance, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Other auditors examined and expressed an unqualified opinion in their report dated September 13, 1985 upon the combined financial statements of American Foreign Service Association and associated organizations for the year ended June 30, 1985, totals which are included in the accompanying combined financial statements for comparative purposes only.

In our opinion, the combined financial statements referred to above present fairly the financial position of American Foreign Service Association and associated organizations as of June 30, 1986, and the results of their operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND
1800 M Street, N.W.
Washington, D.C. 20036
September 15, 1986

The accompanying notes are an integral part of these financial statements

AMERICAN FOREIGN SERVICE ASSOCIATION AND ASSOCIATED ORGANIZATIONS

COMBINED BALANCE SHEETS

June 30, 1986

(with comparative totals for 1985)

	1986			
	Scholarship and AFSA Funds		Total	Totals, 1985
	AFSA			
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 85,685	\$ 58,725	\$ 144,410	\$ 287,818
Accounts receivable, net	20,303	—	20,303	32,088
Inventory	3,623	—	3,623	3,050
Prepaid expense	10,374	—	10,374	7,136
Net interfund receivable (payable) (Note 3)	6,921	(6,921)	—	—
Accrued interest and dividend receivables	—	10,927	10,927	7,666
Total current assets	126,906	62,731	189,637	337,758
Marketable securities, at cost (Notes 2, 4 and 10)	—	1,138,227	1,138,227	852,098
Net property and equipment at cost (Notes 2 and 5)	432,944	—	432,944	442,187
Interfund receivable (payable), less current portion (Note 3)	(36,953)	36,953	—	—
Total assets	\$522,897	\$1,237,911	\$1,760,808	\$1,632,043
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 20,197	\$ 142	\$ 20,339	\$ 28,369
Accrued salaries and vacation payable	24,753	2,347	27,100	22,470
Other accrued liabilities	15,608	89	15,697	10,944
Current portion of mortgage payable (Note 6)	16,291	—	16,291	15,502
Deferred revenue	159,127	6,000	165,127	150,068
Total current liabilities	235,976	8,578	244,554	227,353
Mortgage payable, less current portion (Note 6)	92,729	—	92,729	109,020
Total liabilities	328,705	8,578	337,283	336,373
Commitments (Note 7)				
Fund Balance:				
Unrestricted	194,192	91,106	285,298	443,572
Endowment	—	195,271	195,271	140,000
Quasi-endowment	—	942,956	942,956	712,098
	194,192	1,229,333	1,423,525	1,295,670
	\$ 522,897	\$1,237,911	\$1,760,808	\$1,632,043

AMERICAN FOREIGN SERVICE ASSOCIATION AND ASSOCIATED ORGANIZATIONS

COMBINED FINANCIAL STATEMENTS

for the year ended June 30, 1986

COMBINED STATEMENT OF SUPPORT, REVENUE, EXPENSE, AND CHANGES IN FUND BALANCE

for the year ended June 30, 1986
(with comparative totals for 1985)

	1986			
	Scholarship and AFSA Funds		Total	Totals, 1985
	AFSA			
Public support and revenue:				
Public support:				
Contributions	\$ 7,840	\$ 121,732	\$ 129,572	\$ 240,349
Revenue:				
Membership dues	614,542	—	614,542	496,676
Club sales	162,902	—	162,902	184,359
Advertising sales	93,806	—	93,806	91,317
Subscriptions	87,718	—	87,718	66,766
Investment income—dividends and interest	5,500	87,752	93,252	79,876
Gain (loss) on sale of investments	—	88,452	88,452	18,267
Miscellaneous income	15,925	1,373	17,298	16,493
Total revenue	980,393	177,577	1,157,970	953,754
Total public support and revenue	988,233	299,309	1,287,542	1,194,103
Expenses:				
Program services:				
Journal	230,641	—	230,641	206,465
Club	295,872	—	295,872	269,469
Labor relations	199,744	—	199,744	180,197
Legislative action	50,911	—	50,991	32,767
Scholarship	—	142,894	142,894	128,176
AFSA fund	—	7,824	7,824	24,189
Total program services	777,248	150,718	927,966	841,263
Supporting service:				
Management and general	224,137	7,584	231,721	239,709
Total expenses	1,001,385	158,302	1,159,687	1,080,972
Income over (under) expenses	(13,152)	141,007	127,855	113,131
Fund balance, beginning of year	207,344	1,088,326	1,295,670	1,182,539
Fund balance, end of year	\$ 194,192	\$1,229,333	\$1,423,525	\$1,295,670

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended June 30, 1986
(with comparative totals for 1985)

	1986			
	Scholarship and AFSA Funds		Total	Totals, 1985
	AFSA			
Sources of cash:				
From operations:				
Income over (under) expenses	\$(13,152)	\$141,007	\$127,855	\$113,131
Items not requiring cash:				
Depreciation	28,873	—	28,873	36,723
Funds provided by operations	15,721	141,007	156,728	149,854
Decrease in accounts receivable	11,785	—	11,785	12,855
Increase (decrease) in net interfund receivable/payable	(7,498)	7,498	—	—
Decrease in other assets	—	—	—	1,408
Increase in accrued salaries and vacation payable	4,214	416	4,630	3,847
Increase (decrease) in other accrued liabilities	5,275	(522)	4,753	(3,801)
Increase in deferred revenue	9,059	6,000	15,059	17,436
Decrease in marketable securities	—	—	—	48,764
Total sources of cash	38,556	154,399	192,955	230,363

Uses of cash:

Increase (decrease) in inventory	573	—	573	(1,240)
Increase (decrease) in prepaid expense	3,238	—	3,238	(1,359)
Increase in accrued interest receivable	—	3,261	3,261	1,011
Increase in marketable securities	—	286,129	286,129	—
Additions to property and equipment	19,630	—	19,630	5,838
Decrease (increase) in accounts payable	8,172	(142)	8,030	(7,836)
Decrease in mortgage payable	15,502	—	15,502	18,324
Total uses of cash	47,115	289,248	336,363	14,738
Increase (decrease) in cash	(8,559)	(134,849)	(143,408)	215,625

Cash and cash equivalents, beginning of year

94,244	193,574	287,818	72,193
--------	---------	---------	--------

Cash and cash equivalents, and of year

\$ 85,685	\$ 58,725	\$144,410	\$287,818
-----------	-----------	-----------	-----------

NOTES TO COMBINED FINANCIAL STATEMENTS**1. Organizations**

The American Foreign Service Association (AFSA) began operations in 1924, and is the professional association of the Foreign Service and the official employee representative of all Foreign Service employees in the Department of State and the Agency for International Development.

AFSA has two associated organizations, the American Foreign Service Association Scholarship Fund (Scholarship Fund) and the American Foreign Service Association Fund (AFSA Fund). The Scholarship Fund was established to award financial and merit scholarships to children of Foreign Service employees. The AFSA Fund was established to award people for their achievements in the Foreign Service.

2. Accounting policies

The following is a summary of accounting policies which affect significant aspects of AFSA's financial statements.

Revenue: Income from unrestricted contributions is recorded when received. Income from restricted contributions is recorded when expenditures are incurred for the restricted purpose. Amounts received from restricted contributions in excess of expenditures incurred is recorded in the balance sheet as deferred revenue. Contributions received in the form of investments are recorded at the fair market value at the date of the gift.

Member dues and subscriptions: are deferred when received and recorded as revenue over the period of the related membership or subscription.

Marketable securities: Marketable securities are included in the financial statements at the lower of cost or market value. Amounts used in determining realized gain or loss on sale of securities are based on average cost.

Dividend and interest income: Dividend income is recorded as received, and interest income is recorded as earned.

Inventory: Inventory of food and liquor is stated at actual cost.

Land, building and equipment: Land, building and equipment are recorded at cost. Depreciation is computed on the straight-line basis over the useful lives of the assets. When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss resulting from disposition is credited or charged to operations.

3. Interfund receivable (payable)

AFSA has a loan outstanding of \$43,887 payable to the Scholarship Fund. The loan bears interest at 5% per annum, with a quarterly payment of \$2,250 due from AFSA through December 1991 and the remaining balance payable March 1992. This loan was used to help finance the purchase of the building. The principal due on this loan is \$6,934 in 1987, \$7,288 in 1988, \$7,659 in 1989, \$8,049 in 1990 and \$8,459 in 1991. The Scholarship fund owes AFSA \$13,855 for normal interfund activity. The following table summarizes the interfund receivable and payable balances at June 30, 1986:

	AFSA	Scholarship and AFSA funds
Loan receivable (payable)	\$ (43,887)	\$43,887
Less: current portion	6,934	(6,934)
Long-term loan receivable (payable)	<u>\$ (36,953)</u>	<u>\$36,953</u>
Current portion of loan receivable (payable)	\$ (6,934)	\$ 6,934
Interfund receivable (payable)	<u>13,855</u>	<u>(13,855)</u>
Current portion of net interfund receivable (payable)	<u>\$ 6,921</u>	<u>\$ 6,921</u>

4. Marketable securities

Marketable securities are composed of the following:

	1986		1985	
	Cost	Market	Cost	Market
U.S. government obligations	\$ 416,696	\$ 432,981	\$275,629	\$309,189
Corporate bonds	134,646	148,802	213,325	143,591
Common stocks	586,885	772,447	363,144	497,682
	<u>\$1,138,227</u>	<u>\$1,354,230</u>	<u>\$852,098</u>	<u>\$950,462</u>

5. Land, building and equipment

The investment in land, building and equipment at June 30, 1986 and 1985 is as follows:

	1986	1985
Land	\$ 222,854	\$ 222,854
Building and improvements	368,184	361,408
Equipment	138,889	126,035
	<u>729,927</u>	<u>710,297</u>
Less accumulated depreciation	<u>(296,983)</u>	<u>(268,110)</u>
	<u>\$ 432,944</u>	<u>\$ 442,187</u>

6. Mortgage payable

Mortgage payable consisted of the following amounts at June 30, 1986 and 1985:

	1986	1985
American Foreign Service Protective Association, Inc., interest at 5% per annum, payable \$5,360 per quarter through March 1992 and the remaining balance June 1992	\$109,020	\$124,522
Less: Current portion	<u>(16,291)</u>	<u>(15,502)</u>
	<u>\$ 92,729</u>	<u>\$109,020</u>

The principal due on the mortgage notes payable is \$16,291 in 1987, \$17,121 in 1988, \$17,994 in 1989, \$18,910 in 1990 and \$19,874 in 1991.

The mortgage payable is collateralized by the land and building.

7. Lease agreements

AFSA leases equipment under various noncancellable operating leases. Future minimum lease payments under these leases at June 30, 1986 are as follows:

Fiscal Year	Minimum Annual Rentals
1987	\$ 6,525
1988	6,195
1989	5,864
1990	5,764
1991	3,891
	<u>\$28,239</u>

Total rental expense for the years ended June 30, 1986 and 1985, was \$2,336 and \$661, respectively. At the expiration of the leases, AFSA has the option to purchase the equipment.

8. Employee benefit plan

On August 15, 1985, a voluntary contribution plan which qualifies under Section 401(k) of the Internal Revenue Code was instituted. The plan allows eligible employees to contribute up to 10% of their compensation, with AFSA matching 50% of the employees' contributions. During 1986, AFSA expended \$10,899 related to matching contributions.

9. Reclassifications

Certain amounts in the 1985 financial statements have been reclassified to conform with the presentation in the 1986 financial statements.

10. Endowment and Quasi-endowment

The Scholarship Fund and AFSA Funds have been given contributions that are both endowments and quasi-endowments. Contributions of \$195,271 have been received in which the donors have stipulated that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing income to be used for the two funds. An additional \$942,956 has been established as a quasi-endowment, in which management has determined that the principal will be maintained inviolate and in perpetuity. Management has the right to decide at any time to expend the money on the quasi-endowments. Both the endowments and quasi-endowments are maintained in the marketable securities.

11. Subsequent event

On October 1, 1986, AFSA's governing board voted to discontinue operations of the Club. Negotiations are being made with an independent contractor to manage and operate the Club. The plan is that the assets of the Club will remain the property of AFSA and will be provided for use by the independent contractor. The estimated loss of discontinuing the operations of the Club is \$28,400.

RETIREMENT NEWS

Pomp and pageantry as DACOR moves into a new home

Secretary of State Shultz was the keynote speaker as the Diplomatic and Consular Officers, Retired, dedicated and moved into its new headquarters building last spring. The building will house the educational and welfare activities of the DACOR Bacon House Foundation, as well as provide a better setting for the organization's traditional events.

The historic Federal-style residence at 18th and F streets had most recently been the home of Mrs. Robert Low Bacon until her death in 1980. Constructed in 1825, this stately mansion (listed in the National Register of Historic Places) had been the residence of Chief Justice John Marshall, Associate Justice Melville Fuller III, and Senator Medill McCormick before becoming the home of Representative Robert Low Bacon in 1925. DACOR Bacon House, as it will now



be known, has been completely renovated over the last year and restored to its former elegance.

DACOR, an association of retired officers of the Foreign Service and the foreign affairs

agencies, was founded in 1952 for the purpose of supporting their interests and those of the Service. Its charitable arm, the DACOR Education and Welfare Foundation, which supported foreign affairs educational programs through grants for advanced study in international affairs, merged in 1985 with the Bacon House Foundation. DACOR Bacon House provides an attractive setting for cultural and educational activities directed toward the objective of advancing international understanding.

In the words of Mrs. Bacon, the house serves as an informal meeting place where statesmen and those who, like her husband, devote their lives to civic service can gather and exchange views on world problems in general and the Foreign Service in particular.

Despite its name, DACOR does not restrict its membership to retirees. Those officers still on active duty may join in an associate status and participate in the organization's activities and use its facilities.

A visit to a former U.S. consulate—in California



That's retired Foreign Service Officer Edgar L. McGinnis standing before a historical marker in front of Larkin House, which served as the American consulate in California during the 1840s. It was built in 1835 by Thomas O. Larkin, the only person to hold the post. "Books of the period," writes McGinnis, "describe Larkin as a native New Englander who went to California as a young man and became a very successful businessman."

400 Florida retirees form local chapter

"There is life after the Foreign Service and our organization is one of at least several around the country to prove it," according to Richard R. Hart, chairman of the Foreign Service Retirees Association of Florida. The organization has 400 members from all the foreign affairs agencies, plus the FBI, IRS, INS, the military, and other agencies serving in embassies overseas.

The club has an annual dinner and several luncheons at var-

ious locations around the state. It publishes an annual directory to keep its members in touch.

Hart has offered to make its list available to similar organizations in other states and to welcome their members on visits to the Sunshine State. Floridian retirees who would like to join should contact him at 6110 Wilshire Circle, Sarasota, Florida 33583, phone (813) 923-5705. Annual dues are \$5.

Officers of other retiree associations who would like their activities reported in this space should send appropriate information, including photographs if possible, to the ASSOCIATION NEWS.

Full replacement value coverage on your insured personal property.

And at no additional cost.

For example, those linens you bought in Ireland ten years ago for \$150 are now worth \$850.

Our policy gives you \$850, plus the cost of shipping to your current post.

When we say, "Full replacement value coverage," we mean full replacement value coverage, up to the limit purchased.

The AFSA plan is available only to members of the American Foreign Service Association, and only while assigned to service abroad.

Read our personal property floater for all terms and conditions.

It's easier to read than most.

The AFSA Plan is underwritten by the International Department, Federal Insurance Company, one of the Chubb Group of Insurance Companies. This advertisement is descriptive, only.

The precise coverage afforded is subject to the terms, conditions and exclusions of the policy as issued.

AFSA Desk
The Hirshorn Company
14 East Highland Avenue
Philadelphia, PA 19118
Telephone: 215-242-8200*

Please send me your free brochure (with a built-in application form) that answers my questions about overseas insurance.

Name _____

Address _____

* In the Washington, D.C. area, call 202-457-0250.

AFSA

Chrysler's newest diplomatic couriers.



Chrysler LeBaron Coupe



Plymouth Sundance



Dodge Dakota

As an active member of the Diplomatic Corps, you're entitled to special pricing through Chrysler's 1987 Diplomatic Purchase Program. You can choose from a complete line of Chrysler, Plymouth and Dodge cars, as well as Dodge trucks, vans and wagons. New for 1987 are the Chrysler LeBaron Coupe, Plymouth Sundance and Dodge Dakota.

Chrysler LeBaron Coupe boasts a sleek new skin, a sumptuous interior and a high-torque fuel-injected engine for heart-pounding performance. It is beauty...with a passion for driving.

Plymouth Sundance is truly the unbelievable American. Combining the absolute latest in American technology with painstaking attention to minute detail, Sundance quality is designed to

rival *anything* out of Japan.

Dodge Dakota is America's first mid-size pickup. Ever. With optional 4-wheel drive and payload capability up to 2000 pounds, there's not much you can't do in a Dakota.

For full details on these and the rest of the Chrysler line, Foreign Service Personnel in the U.S. should contact: **Diplomatic Sales Office, Chrysler Corporation, P.O. Box 1688, Detroit, MI 48288.** Those stationed overseas: **Telex 961320 MCSNEWCAR WDBY.**

Attn: Diplomatic sales. Or both can simply mail the postage-paid reply card in this magazine.



Working together
to be the best.