

FOREIGN SERVICE

J O U R N A L

\$2.00

December 1986

Administrator McPherson in Peru



THE POLITICS OF AID

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 — OMSC
Route de Beaumont 18
1700 Fribourg
Switzerland

Foreign Service Personnel overseas may telex #845942543 OMSC CH; Att: Diplomatic Sales Division.

**AMC/Jeep/Renault
Diplomatic Sales Division**

◆ RENAULT | Jeep ◆

FIRE. THEFT. EARTHQUAKES. FLOODS. MILDEW. MYSTERIOUS DISAPPEARANCE. CONTAMINATION. MARRING. CHIPPING.

The AFSA Plan basic personal property floater covers all of the above.
No other protection is as comprehensive. And certainly not the Claims Act.
The AFSA Plan is available only to members of the American Foreign Service Association.
Read our policy for terms and conditions. (It's easy to read.)
Call or write for a free brochure.

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.

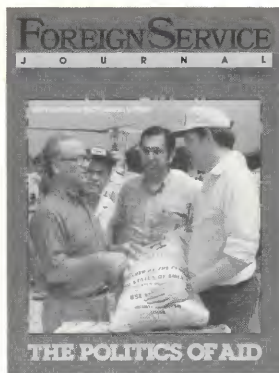
Name _____

Address _____

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

AFSA

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.



COVER: Fulfilling one aspect of AID's diverse mission, Administrator M. Peter McPherson (right) and others inspect Food for Peace distributed by the agency to assist flood victims in Peru. Our interview with the administrator on the politics of aid begins on page 22.

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 EISENBAUM
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

Advancing U.S. Interests with Assistance 22 *An Interview with M. Peter McPherson*

AID's administrator speaks out on the agency's goals and achievements—both humanitarian and political.

On the Road with Ryder 28 *Alvin P. Adams*

In a new program, an FSO helps to steer an American company into untapped international markets.

The Next Nuclear Power? 32 *Harold Freeman*

With the aid of both our allies and enemies, Pakistan's bid to join the nuclear club is nearing its goal.

Journal: Past Imperfect 36 *Lispenard Green*

Letters from yesteryear demonstrate that the more things change, the more they stay the same.

Association Views	3	Scholarships	40
Letters	4	People	41
Books	8	Foreign Exchange	42
Clippings	14	Association News	46
Congress	18	Index	52
10-25-50	20		

"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.

December 1986. Volume 63, number 11. ISSN 0015-7279.

ASSOCIATION VIEWS

Fundamentally Reshaping Our Ability

One development that is having a devastating effect on the state of the Foreign Service is the Gramm-Rudman-Hollings legislation. Deep cuts are being made without considering policy consequences. We will have to cut our personnel levels, close posts abroad, forego needed modernization, cut back on equipment purchases and security programs in order to get along in 1987 with substantially less than we had in 1986. The Foreign Service is small. Our nation's entire foreign affairs budget is only about 2 percent of the federal budget. The Department of State's operating budget is only .4 percent, and over half of that goes for people-related expenses. There is no way we can sustain cuts of the magnitude envisioned in the current budget without reducing people and services. The \$20 million we have to cut in personnel costs (amounting to a reduction of 700 people) is less than one-tenth the cost of a B-1 bomber.

In the meantime, the proportion of State Department officers at our missions abroad is decreasing. Only 28 percent of the personnel in our overseas missions are now State Department employees. Many in the State Department Foreign Service sense they are increasingly becoming a support service for other agencies, who seem, in stark contrast to State, wholly unconstrained in the level of their representation abroad. There are more school teachers hired by the Department of Defense in Europe alone than there are State Department employees worldwide, including even all of the foreign nationals who work for us in support positions abroad. We have eaten into our core capabilities in key political and economic specialties to feed successive reductions. Gramm-Rudman promises future cuts each year for another five and we are already reeling from the first one. A continuation along this road will fundamentally reshape our ability to manage foreign affairs.

Excerpted from an address by Under Secretary for Management Ronald I. Spiers to the National Academy of Public Administration.



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
Controller: ELLEN TENN
Membership Coordinator: MYRIAM DUNCAN
Executive Assistant: DENISE BYERS
Legal Assistant: CHRIS BAZAR
Law Clerk: RICHARD M. PRICE
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—\$65-143; Retired Active Members—\$45 for members with incomes over \$20,000, \$30 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, controller, scholarship programs, insurance programs, JOURNAL offices: (202) 338-4045

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

Foreign Service Club: (202) 333-8477

Relocating? Washington, DC—Virginia—Maryland

Come To An Open House

FREE Individual Consultation
and Information Packet

WE'LL BE IN THE PACIFIC IN JANUARY

VISIT US IN:

HAWAII

9-18 January
Honolulu Airport
Holiday Inn
839-0967

TOKYO

8-10 January
Agasaka Prince Hotel
03-234-1111
Judy Hamilton

OKINAWA

20-30 January
Marty Hornback

MANILA

26-28 January
57-3711
Jackie Grunawalt

KOREA

Please send
for information

GUAM

15-21 February
Guam Hilton
646-1841
Marcia Crumbaugh

Come in at your convenience or call for a specific time.

RETURN FOR INFORMATION.

Send to: Jackie Johnson, 7040 Old Keene Mill Road,
Springfield, VA 22150

Name _____

Address _____

Office Phone _____

Projected Office Location _____

Date of Transfer _____



LONG & FOSTER
REALTORS®



LETTERS

Bulge in the Ranks

Congratulations on your excellent editorial "Will History Applaud?" [ASSOCIATION VIEWS, September]. Allow me to add a couple of footnotes.

Management comparisons of the Foreign Service and military personnel systems are sophistical. Management says, *inter alia*, we should be prepared to end our careers "honorably" at the FSO-1 level, just as the great majority of career military officers retire in the grade of colonel. What management carefully does *not* say is that a military officer in the grade of colonel is *assured* that he will remain in the service for 30 years and retire on an immediate annuity of 75 percent of his highest annual salary. (Contrast this to the FSO-1 who could be forced out with 20 or fewer years of service and an annuity of less than 40 percent.) If management were inclined to offer a similar "deal" to the Foreign Service, it would at least take some of the sting from the many hardship cases which are certain to develop.

Moreover, according to the newspaper *Stars and Stripes*, when the Army recently discussed how to cope with an unwanted bulge at the rank of colonel and lieutenant colonel, it scrapped a plan to separate involuntarily up to 180 individuals at those ranks. We thus find ourselves in the incongruous situation of adopting far more inhumane personnel policies than our "sterner" brethren.

JOHN U. NIX
Foreign Service Officer
Athens, Greece

Better Budgeting

The excellent piece by Harry J. Shaw entitled "A Better Budget Recipe" [July/August 1986] stimulated me to recall my own days in service and to offer a suggestion.

If strong, integrated national guidelines are available to the field, the ambassador in each country, and his key staff—the country team—may be in the best position to produce a coherent budget tying all elements together. At the country level it should be possible to see priorities among

*"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

AUTHORIZED EXPORTER

GENERAL



ELECTRIC

—U.S.A.—

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 Manufacturers



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.

program elements ever more clearly than in Washington. I can recall in one country where I served, agreeing that an additional sum *ought* to be allocated to the military aid rather than economic—given the situation, and despite my own narrower responsibility as the AID director there. And in still another country, the ambassador attempted to produce an integrated budget for all the elements but was rebuffed by the Washington bureaucracy.

Perhaps the recent changes in the defense structure, vesting greater authority in the regional commanders, can inspire the Foreign Service community to move too.

Thank you for publishing Mr. Shaw's article.

ROGER ERNST

Foreign Service Reserve Officer, retired
Nantucket, Massachusetts

A Vote of Thanks

The news about the Senior Foreign Service back pay award [ASSOCIATION NEWS, May] was welcome, especially in the aftermath of last January's COLA that disappeared almost as fast as we glimpsed it.

Here's this retiree's vote of thanks which I hope you'll add to all those who have written earlier to recognize your extraordinary interest and perseverance in achieving your goal.

R.M. MILLER

Pacific Palisades, California

Sexist Language

After all the furor over so-called sexist language, isn't it about time to return to some common-sense usage in these matters? I refer to the obituary notice in your September issue concerning the late Chester Bowles, who is described as having been, among many other things, a "congressperson." Indeed! Mr. Bowles was certainly a man, so how can he be insulted or discriminated against by using the easier, standard old term, "congressman"? Need we go on with this silly awkwardness of attaching the clumsy "person" to everything?

PERRY LAUKHUEF

Former Director,
Office of German Political Affairs,
Department of State

Probable Cause

In opposing mandatory drug testing [RED TOP, August 14] the AFSA Governing Board has provided an argument to the

critics of the Foreign Service. It has done so by wrongly defining the problem for those it represents, the vast majority of whom are not drug abusers.

The issue is whether the Foreign Service continues to regard itself as an elite group which sets an example of discipline in handling matters involving the national security of the United States. This means that we must submit to a thorough security background investigation and periodic updating without the need for management to show probable cause of being a security risk. It means that officers at a certain level or in certain jobs make a full financial disclosure, without the need for management to show probable cause of a conflict of interest. The "probable cause" argument against mandatory drug testing is very weak. It will certainly undermine political support for the Foreign Service.

DAVID L. MACK
Washington, D.C.

We asked the Governing Board, which is responsible for AFSA policies, to respond:

Without taking issue with Ambassador Mack, we would like to point out that the criticisms on the position that we have taken on mandatory drug testing are evenly divided between those who think our position too strong and those who think it too weak. On this issue, we seem to have hit a golden mean.—The AFSA Governing Board

Agnes Schneider

I note with regret in *The Dacor Bulletin* that Agnes E. Schneider died in March at the age of 95. The *Bulletin* remarks that she became somewhat of a legend in the Consular Service.

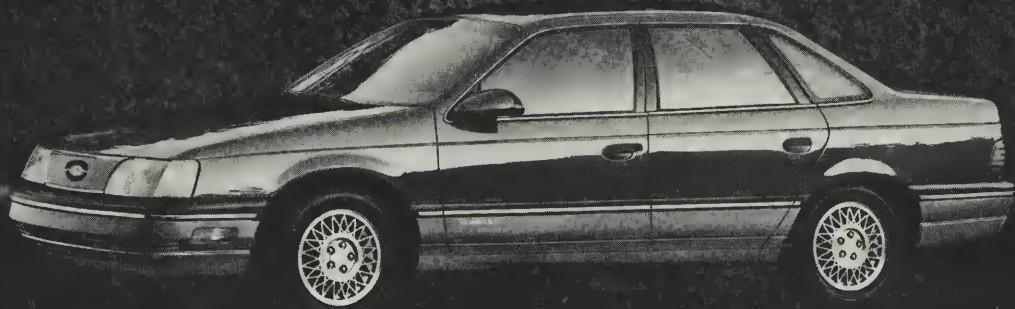
Indeed she did, as many of us who served under her as junior officers at the Paris embassy will attest. In my 23 years in the Foreign Service, I never worked under a more demanding, a more strict, or a more knowledgeable boss than Miss Schneider (no one ever called her Agnes). Woe betide the careless tourist who came before her to report a lost passport, that most precious of personal documents. And heaven protect the careless FSO-8 who handled a nationality case with less than a sure touch. Yet, off duty, outside the embassy, she was as gracious and goodhumored a person as one might ever meet.

We have witnessed the very decided end of an era in Foreign Service history.

HENRY E. MATTOX
Foreign Service officer, retired
Chapel Hill, North Carolina

FOREIGN SERVICE JOURNAL

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



As you pull into the drive ways 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 _____

COUNTRY _____

STATE _____

ZIP _____

DATSUM Triumph VW DATSUM 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 FSJ-1281
32 page Master Catalog.

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

 NEMET

Books

Reviews

Ethiopia: The United States and the Soviet Union. By David A. Korn. Southern Illinois University Press, 1986. \$24.95.

The Ethiopian revolution of 1974 ushered in a new era of relations with Addis Ababa. Close and cordial during imperial days, they have become cold and distant. The revolution was also the first step in what would turn out to be a significant shift in the power relationships in the Horn of Africa.

This excellent study is a valuable contribution to the evolution of American foreign policy in the Horn. Korn—who was chargé in Addis Ababa, 1983–85—methodically walks the reader through the often bewildering chain of events that led to today's situation. His research is careful, despite the paucity of published material. No important event has gone unchronicled or uninterpreted. His analyses and interpretation of the events and policy developments that concerned the United States are particularly helpful and incisive. Those involving the Soviets and, to some degree, the Ethiopians are understandably less well documented, given the closed nature of both societies. Korn's conclusions, however, come across as both informed and reasonable. The book offers a case study of a target of opportunity successfully (thus far) exploited by the Soviets, albeit at some cost.

Korn's account of the disastrous famine of 1984–85 is not only as authentic but also sobering, and cause for deep reflection; a capstone, if any were needed, to the long litany of ruthless and seemingly uncaring behavior of Mengistu and his cohorts that clearly emerges from this somber account of the post-1974 years.

—ARTHUR T. TIENKEN

Vengeance: India after the Assassination of Indira Gandhi. By Pranay Gupte. W.W. Norton & Company, 1985. \$16.95.

Vengeance is not really the centerpiece of this book. The title plays up the violent Hindu reaction in north India after Prime Minister Indira Gandhi's assassination by

Sikh bodyguards in October 1984. It downplays, however, what the book really is: a survey at breakneck speed of India, past and present, in which other forces—many hopeful and positive—have played critical roles. The book is a capsule history of post-independence India; a snapshot of the turmoil in Kashmir following the death of that region's longtime leader, Sheikh Abdullah; the subsequent politicizing of Gandhi; a long essay on Indian culture as interpreted by the highly westernized author; and a tantalizingly brief guide to South India through Gupte's visits to the states of Andhra Pradesh and Kerala.

The author describes the emergence of regional and linguistic forces in the south opposed to the Congress (Indira) party. Unfortunately, he does not go into the background of N.T.R. Rama Rao, chief minister of Andhra and leader of these opposition forces, who was a former megamovie star, far beyond anything Ronald Reagan ever dreamed of. Movies have become a strong political vehicle in India: Rao's political base, for example, is his network of fan clubs. The chief minister in Tamil Nadu (Madras) is also a former movie star, and even Rajiv Gandhi has his star, Amitabh Bachan, the biggest film idol of all, who was elected to Parliament in 1984. Gupte's look at India would have been more incisive had he concentrated more on the popular culture which is such a driving force there today. Instead, he admires the work of Calcutta's internationally known movie maker, Satyajit Ray, whose films have mainly been for western consumption. The millions of people who attend shows in thousands of movie houses across the India probably have never seen one of his productions.

—MILES G. WEDEMAN

The Soviet Paradox: External Expansion, Internal Decline. By Seweryn Bialer. Alfred A. Knopf, 1986. \$22.95.

Several years ago a *New York Times Magazine* cover story lauded the rapid growth of knowledge and information about the Soviet Union in the West. Seweryn Bialer's new survey of the political and economic scene in the U.S.S.R. is a useful reminder that our knowledge of Soviet decision-making is still limited and imperfect.

Because Moscow's political process remains shrouded in secrecy, an entire academic discipline—Sovietology—has emerged. That discipline seeks to apply more rigorous standards to the interpretation of contemporary Soviet developments than astrology, palm-reading, or deconstructionist literary criticism. The under-

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

Mothers Work™ EXECUTIVE MATERNITY

Catalog with swatches and fit guide \$3, refundable with order.

Visit our stores in: Atlanta, Baltimore, Boston, Charlotte, NC, Chicago, Cleveland, Costa Mesa, CA, Dallas, Denver, Harrisburg, PA, Hartford, CT, Haverford, PA,

Houston, Los Angeles, Mesa, AZ, Minneapolis, New Orleans, New York, Philadelphia, Pittsburgh, San Diego, San Francisco, Stamford, CT, Washington, D.C. or inquire about opening a store. Telephone

215-625-0151, P.O. Box 40121 Dept. FE6L, Phila., PA. 19106.



taking, however, remains closer to tea-leaf reading than science. Because the evidence is so scarce and difficult to corroborate, interpretations of Soviet developments always have a provisional, contingent quality and must be constantly rechecked against changing realities. These observations are not meant to disparage the work of Sovietologists, for their efforts are significant. Every American attempt to construct a policy for dealing with the Soviet Union is either explicitly or implicitly based on one or more Sovietological theories. It is precisely the speculative nature of the enterprise and the important consequences that can flow from such efforts that makes *The Soviet Paradox* fascinating reading.

Bialer begins with a balanced and useful summary of Stalin's legacy, the Brezhnev era, and the accumulating economic and social problems confronting the new Soviet leadership. Unlike many commentators who have breathlessly pronounced Gorbachev a radical reformer, Bialer presents a more sober and convincing picture of the constraints on the general secretary's aspirations. Overall, Bialer is pessimistic about the prospects for reform but realistic about the continued resilience of the Soviet system and its capacity for muddling through.

A major theme of the book is the ironic conjunction of mounting domestic problems coming to a head just as the Soviet Union has reached the apogee of its international power. Bialer's account of Soviet foreign policy, however, highlights the difficulty of squaring its global ambitions with stagnating or shrinking resources. He writes with particular insight and skill about the crisis of empire in Eastern Europe but is on less sure footing when he turns to other problems. While acknowledging that the Soviet Union's domestic crisis will shape its foreign policies, he is uncertain about which the direction that influence will take. Will the Soviets, preoccupied with internal troubles, be a more tractable adversary than they were in the 1970s? Or, rather, will they pursue new adventures to distract attention from their domestic failures. Bialer has no ready answer.

When he turns to the question of managing the U.S.-Soviet rivalry, Bialer's recommendations are generally sober and responsible but they come dangerously close to suggesting that arms control must carry the weight of the entire relationship. That would appear to fly in the face of the experience of the 1970s. As a result, Bialer's provocative study concludes by raising another paradox that will shape international relations for the rest of the century.

Allen & Unwin

INTERNATIONAL CULTURAL RELATIONS

J.M. Mitchell

Today, cultural relations, along with politics and trade, are an essential third dimension in relations between states. In this volume, Mitchell analyzes and describes the significance of cultural relations in current international affairs. After presenting the credentials of cultural relations, he traces their origins in the nineteenth century and their evolution to the present. Mitchell not only considers the nature and organization of "cultural diplomacy" in the world at large, but also concentrates specifically on Britain, France, Germany, Italy, Japan, and the United States. Cloth \$34.95 0-04-327082-4 Paper \$14.95 0-04-327083-2 256pp. October 1986 Key Concepts in International Relations: 3

SOVEREIGN STATEHOOD

The Basis of International Society

Alan James

The states that engage in international relations vary enormously in size and strength. The one thing they have in common, however, is their sovereignty—and it is this sovereign status which makes them eligible to participate in international activity. In this book, James examines the practical applications of sovereignty, showing how it is obtained, used and lost. By drawing on copious examples, James deals with many of the most far-reaching events and issues since the Second World War—and so brings to vivid life what is, arguably, the most elemental concept in international relations. Cloth \$37.95 0-04-320190-3 Paper \$14.95 0-04-320191-1 250pp. 1986 Key Concepts in International Relations: 2

THE GENERAL ASSEMBLY IN WORLD POLITICS

M.J. Peterson

Peterson examines the ways in which the existence and procedures of the General Assembly influence both the interactions between countries, and the foreign policy choices of individual countries. Peterson describes three eras in the Assembly's history and argues that, despite widespread impressions to the contrary, the Assembly has performed similar functions in all three eras. She provides a detailed discussion of how the General Assembly influences world politics and explains how, within the Assembly structure, small nations force large nations to listen. Cloth \$35.00 0-04-327079-4 240pp. November 1986

8 Winchester Place

Winchester, Massachusetts 01890

Toll Free 800-547-8889 In MA and Canada 617-729-0830

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

DISTRICT INTRODUCES INSTANT INFORMATION

To make your moving experience easier, simpler and more convenient you are invited to call District's new "Moving Abroad Telephone Information Service."

Questions about planning, scheduling, packing, air freight, accompanied baggage or any other problem that is troubling you will bring a friendly, polite answer when you call 420-3300 and ask for the "Information Service."

Let us put our more than 20 years experience making Department of State, USA, AID and Peace Corps moves to work for you - by giving you helpful information and making your moving experience the best ever.

DISTRICT
MOVING & STORAGE, INC.

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



Bialer has read widely and has talked with many knowledgeable Soviets. He has covered both domestic and foreign affairs in one volume without burdening the reader with a cumbersome scholarly apparatus. While the book will reveal little new information to those who follow affairs in the U.S.S.R. closely, it presents a valuable synthesis. —ERIC S. EDELMAN

The Making of a Public Man: A Memoir.
By Sol M. Linowitz. Little, Brown, 1985.
\$19.95.

Sol Linowitz, son of Jewish immigrants, worked his way through Hamilton College and Cornell Law School and with no special favors became a successful lawyer, co-founder of one of the United States' corporate giants, a devoted leader of community projects and social causes, and finally a diplomat whose learning, culture, and skills were put to work by two presidents and highly valued by several others. He was twice urged to run for public office—once for Congress against Kenneth Keating, the other time for governor of New York against Nelson Rockefeller—but backed off, considering the Republican candidates able public servants whose views he largely shared. He associated himself with the great issues of the time through civic and community organizations and negotiated with governments and private citizens on behalf of Xerox, bringing to diplomacy a broad knowledge of and experience with U.S. and international affairs.

When Lyndon Johnson insisted upon bringing Linowitz into his administration, offering a choice of three positions: deputy under secretary for economic affairs, the ambassadorship to the Organization of American States (with the additional responsibility for the U.S. role in the Alliance for Progress), or the number-two slot in the State Department, he chose the ambassadorship. Later, he became co-negotiator of the Panama Canal treaties with Ellsworth Bunker, and then President Carter's Middle East representative charged with keeping the Camp David momentum going. All of his diplomatic work after the OAS ambassadorship was uncompensated.

Throughout his government service he made it clear that he was ready at any time to pick up his marbles and leave. He was a man of too diverse interests and versatile talents to feel any compulsion to be a "public man." He felt there was always plenty to be done by a private citizen in national and international affairs and that a democracy demanded this private activity.

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.

American-Arab Affairs

"*American-Arab Affairs* has made its indelible mark on a wide and varied readership. Its place on the shelves of every library, public or private, is earned and protected by the sheer weight of its scholarship and the objectivity of its contributions."

H.R.H. Crown Prince El Hassan Bin Talal
Hashemite Kingdom of Jordan

"*American-Arab Affairs* has rapidly established a reputation for thoughtful, lively, and responsible journalism. It is a valuable reference for our officers and a useful addition to our USIS libraries abroad."

The Hon. Charles Z. Wick
Director, United States Information Agency

American-Arab Affairs gives you the events, people, policies and politics that form the basis for America's relationship with the Arab world. In each quarterly issue, insightful analysis and thought-provoking interviews with leading Arab and U.S. politicians, businessmen and scholars are provided to answer your questions about the status of the peace process, Arab banking and investment, contemporary Islam, American perceptions of the Middle East... and much more.

ANNUAL SUBSCRIPTION \$20.00
(Outside United States \$36.00)

American-Arab Affairs 1730 M STREET, N.W.
SUITE 512
WASHINGTON, D.C. 20036

Enter/Extend my subscription ☐

Your Name _____

Address _____

City _____

State _____

Zip _____

☐ New Subscription

☐ Renewal



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)

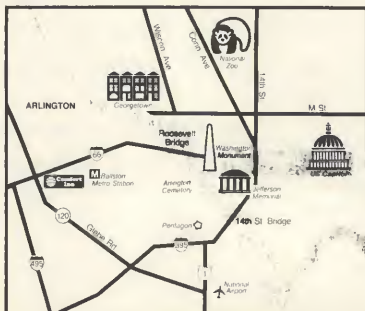
GREAT GOVERNMENT RATES:

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



This "admirable memoir of an admirable life," as John W. Gardner, secretary of health, education and welfare during the Johnson administration, calls it, provides fascinating insights into the strengths and weaknesses of the presidents Linowitz served and an illuminating account of our relations with the Latin American countries. The book adds to William Jorden's *Panama Odyssey* in describing both our negotiation of the Panama Canal treaties and Linowitz's efforts to enlist public support for them. One person he attempted to persuade was Ronald Reagan, who characteristically acknowledged that Linowitz had "answered all" his questions but who chose instead to play the right-wing demagogue. Once the negotiation was completed, there came the fight over ratification, "one of the more emotional episodes in American politics in this generation," Linowitz says. "I saw a face of America I did not want to see," he goes on, "and it still haunts me. The hate-mongering, the threatening phone calls.... I felt danger in my own country."

Above all, this memoir illuminates the baleful flaw of a political system that brings to the presidency men with little or no familiarity with those basic national interests that could give consistency and dependability to our foreign relations, on which our survival as a free nation depends. For example, the Alliance for Progress was permitted to bleed to death by Presidents Johnson and Nixon when, with adequate U.S. diplomacy, it could have brought balance and progress to this hemisphere, tempered the drift of military dictatorships, and possibly have averted the present crisis in Central America. Another example: President Reagan failed abysmally to capitalize on the good will generated in Latin America by the Panama Canal treaties and to keep the momentum of the Camp David accords going in the Middle East, for the narrow partisan reason that a president does not want to appear to recognize any constructive contribution to the national interest by his predecessor. This folly robs our foreign policy and diplomacy of consistency and dynamism and explains to no small degree why other countries, long weary of this partisan zig-zagging, are reluctant to support our initiatives and to accept our proffers of leadership.

—SMITH SIMPSON

From the Think Tanks

Blocking the Spread of Nuclear Weapons: American and European Perspectives. Council on Foreign Relations, 1986. 83 pp. This volume consists of two separate reports on nuclear proliferation—one from a

U.S. panel and the other from a Western European group. The two papers exhibit a great deal of consensus, especially on the importance of restraining those countries thought to be close to having nuclear weapons. The panels suggest that more stress be put on diplomacy, rather than on the setting of more technical standards, as a means of persuading such countries against that course.

Authentic Development in Africa. By Brian W. Walker. *Foreign Policy Association. Headline Series #274, 1985. 72 pp. \$4.* The author argues that long-term solutions to Africa's problems (declining per capita income and food production, rising birth rates) must center on the African people, not just their leaders. Foreign aid is needed, but it must work within a cultural framework, providing funds to the rural poor, focusing on the small-farm sector, and meeting basic human needs. Instead of contributing to the continent's problems by breaking down traditional agricultural systems or accelerating population growth, aid must be restructured to mobilize the energies of the African people.

WANT INSTANT TAX RELIEF? CONSIDER **TAX FREE MUNICIPAL BONDS!**

Phone — Write — Visit

A.G. Edwards & Sons, Inc.

Members New York Stock Exchange
280 BRANCHES NATIONWIDE

PLEASE send me information on Municipal Bonds. FSJ

Name

Address

City

State Zip

Bus. Phone Res. Phone

I am a client of A.G. Edwards ☐ Yes ☐ No ☐

EDWARDS— Washington, D.C.
Mrs. Ruth G. Adler, Vice Pres.
Spring Valley Center
4801 Massachusetts Ave. N.W.
Washington, D.C. 20016
364-1600

AN-B-256-EDC

SIPC

**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 1-800/424-8830

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.

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

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.

CLIPPINGS

National Security Crisis

"We face a national security crisis. Proposed congressional cuts in the international affairs budget will seriously jeopardize our national security interests and global foreign policy objectives. The ability of the United States to maintain its leadership role in the world; to provide for its national security; and to support the cause of freedom, democracy, and economic development is at stake.

"In January the administration submitted to the Congress a bare-bones international affairs budget for fiscal year 1987 of \$22.6 billion—only two percent of the total federal budget...I know how important it is to reduce costs, to keep budgets lean, and to maximize efficiency. I participated actively in the review of this budget. It is a minimum, bare-bones budget. With the help of the Office of Management and Budget, and with my own input as a hard-nosed businessman and taxpayer, all the fat has been squeezed out. In the last few months, I have been actively involved with my colleagues in the foreign affairs community in a review and reduction of almost 1500 foreign affairs positions overseas....

"Yet the current congressional budget resolution reduces this minimal and carefully considered request by 27 percent Such cuts will cost Americans more in national security and foreign policy terms than we can afford to pay."

*Deputy Secretary Whitehead
in Current Policy, No. 860, August*

Giant of Our Time

"By breeding and temperament, Kennan did not naturally belong in the tightly knit circle of men who came to Washington from Wall Street and the great law firms to wield discreet power after World War II. As a shy and awkward Foreign Service officer, he had none of the easy grace of his fellow diplomat Chip Bohlen, nor the smooth bureaucratic skills of Washington operatives like Bob Lovett and Jack McCloy. In the company of able but earth-bound men, Kennan was a dreamy loner.

"Yet, at the moment of creation, at the onset of the Cold War when America undertook the role of world policeman,

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.



Whether you are traveling by boat, plane, or train to your Foreign Service assignment, your belongings will be traveling first class—thanks to Guardian Storage.

Guardian Storage carefully packs and ships your possessions with the care and attention you expect from professionals. The items being stored are containerized to stay safe and protected in our specially designed storage facility.

Guardian storage guarantees first class treatment at home and abroad.



GUARDIAN STORAGE, INCORPORATED

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

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

George Kennan's voice carried above all others. Intuitive and articulate, he was able to give meaning and shape to policies that had been little more than ad hoc reactions to the press of events. As the legendary 'Mr. X,' it was Kennan who authored the doctrine of containment designed to check Soviet expansionism. Three decades later, Henry Kissinger would declare that 'Kennan came as close to authoring the diplomatic doctrine of his era as any diplomat in our history.'

Walter Isaacson and Evan Thomas in the *Washington Post Magazine*, August 31

Requiem for Diplomats

"Following the logic of the unfortunate Foreign Service Act of 1980, the Service leadership—all good and honorable career officers—has ruthlessly begun to terminate middle-level officers. The reason is a professed oversupply of senior diplomats. The analogy offered by those who support the act is with the military practice of retiring most officers at the colonel level—a misapplied analogy, for at that level in the diplomatic career an officer is only just beginning his most useful period of service. Even if recruitment into the Foreign Service is going well now, before long this 'reform' will surely make our foreign policy less effective and our diplomatic careers less attractive."

Jack Perry in the *New York Times*, August 30

"Civil servants are not, by and large, a flighty bunch. But more of them are now leaving Whitehall in mid-career. Not a single assistant secretary or senior principal resigned between 1981 and 1983. In 1984, 24 assistant secretaries and 31 senior principals left; in 1985, 19 and 31....

"One reason they leave is pay. For instance, a newly qualified accountant can earn £1500-2500 more a year outside Whitehall than in it.... Another reason is promotion prospects, constrained by cuts in the numbers of civil service jobs, and by Whitehall's preference for promotion on seniority rather than on merit. Many administrative trainees can expect to spend ten years stuck at principal level....

"As it is mainly the brighter and more original civil servants who leave for jobs in the world outside, Whitehall fears that it risks being run by the safe and the mediocre in the future." *The Economist*, July 12

Defective

"He needed help, and in a hurry. But a Soviet military intelligence analyst who wanted to defect to the West recently was almost not allowed to. When this official

approached the gates of the U.S. embassy in Tunis, he attempted to make himself understood to the Marine guard. The befuddled guard pointed toward the visa section. The official dutifully took his place at the end of a lengthy queue of Tunisians submitting their visa applications. Soon, he became jumpy; the KGB might already be on his tail. He approached the officer in charge, who promptly ushered the upstart back to the end of the line. The frustrated defector excitedly explained that he had an important matter to discuss with the ambassador or the CIA. The embassy's consul, hearing the ruckus, came out to investigate. The man, now desperate, flashed his Soviet passport. No reaction. Next, he took out his military identification card. A glimmer of comprehension. The consul copied the Cyrillic letters and sent them upstairs to the CIA station chief.... Then a CIA man, curious about the fuss, took one look at the card and promptly rushed to talk to his boss. Only then did the station chief come down and, with proper apologies, invite the defector upstairs."

Time, July 28

Ambassadorial Credentials

"The new ambassador to the Court of Saint James's would seem at first glance to possess exactly the credentials we need at America's embassies. A veteran political spokesman accustomed to dealing with the press, he can be expected to champion his country vigorously on British TV and handle deftly the brash questions of Fleet Street reporters.

"There is only one hitch.

"He's not our man.

"He's Russia's.

"Leonid M. Zamyatin, 64....

"I am disturbed that in this and other recent ambassadorial appointments, the Russians seem to be picking envoys for a skill—political public relations—that we developed. One in which America excels. One our own envoys should possess and use much more often than most of them do....

"Imagine, if you will, New York's Mayor Ed Koch as U.S. ambassador to France. A highly visible, politically astute communicator for a city, he could be the same for a country. I don't know how good Ed's French is. But I'd give a mint to see him strolling down the Champs Elysees on a fine summer day, explaining America's virtues and warts to a crowd of admiring and intrigued Parisians."

Herbert Schertz in the Washington Times, July 1

CLIPPINGS records without comment statements about the Foreign Service in the press.

APPLIANCES FOR WORLDWIDE USE

110 - 220V.

110 - 220V.

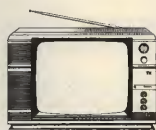
MANHATTAN ELECTRIC

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



FOREIGN

SHOPPERS

The Ultimate Service

From Argyles to Zippers

or whatever you're missing or wanting, we will buy, pack, and ship to you. We're the biggest "catalog" in the United States; because we'll find anything you want and send it to you, properly packed and promptly!

Send for an order form. And ask about our Flower Power Plan.

FOREIGN SHOPPERS
Suite 703, 1510 N. 12th St.
Arlington, VA 22209

WASHINGTON, D.C. BOUND? DRIVE A BARGAIN

RENT-A-USED CAR RENT-A-NEW CAR
from \$12.95* per day 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

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

Introducing the Diplomatic Selection!

New Columbia Corporation is a wholesale distributor owned and operated by retired American and French diplomats. We specialize in wines and spirits carefully selected to appeal to the most discriminating and sophisticated tastes.

We market primarily to exclusive restaurants and clubs. But now with the cooperation of **Riverside Liquors** we can offer you our products attractively priced at a convenient location. We feature *Jules Gautret Cognacs*, *Laubier Brandies*, *La Mauny Rums*, *Pineau de Charentes* and a selection of superb French wines including the renowned *Blancquette de Limoux*.

Ask for New Columbia's Diplomatic Selection at **Riverside Liquors** on E Street across from the State Department.

NEW
COLUMBIA
CORPORATION

E. Gregory Kryza, Chairman
Howard T. Robinson, President
Lynn Sylvester, Secretary/Treasurer
Andre Carriere, Mgr. Product Development

HAD A BOOK PUBLISHED RECENTLY?

The *JOURNAL* is starting a new section, "By Our Readers," which will give a short description of books published by our Foreign Service readers. If you have had a book published recently, send us a copy, including price, publisher, and date of publication.

Mail to:
Book Review Editor
FOREIGN SERVICE JOURNAL
2101 E Street, NW
Washington, D.C. 20037



Join AFSA . . .
**The Voice of the
Foreign Service**

AFSA Provides:

- The Foreign Service Journal
- Employee-Management Relations
- Membership in the Foreign Service Club
- Insurance Geared for Foreign Service Needs
- *Includes War Risk

Call or write:
Membership Coordinator, AFSA
2101 E St., N.W., Wash., DC 20037
(202) 338-4045

CONGRESS

Pell Takes Over

By LAWRENCE L. KNUTSON

Senator Claiborne Pell (D.-Rhode Island), a former Foreign Service officer, is preparing to take over the chairmanship of the Senate Foreign Relations Committee. This change comes in the aftermath of the November elections, which saw Democrats capture a 55-45 majority in the Senate. Pell, who has been the committee's ranking Democrat, is slated to take over from Senator Richard Lugar (R.-Indiana), when the 100th Congress convenes in January 1987. The new chairman says he hopes to follow in Lugar's footsteps, attempting to mold a bipartisan consensus on foreign policy issues.

"I would hope it would not be a contentious role," Pell said when asked about the changes that might be expected when the Democrats take control of the committee. "I would hope that we would try to achieve a middle ground, that we would stick to Senator Lugar's attempt to secure a consensus."

Pell, a mild-mannered lawmaker with an upper-class accent, has generally permitted more-junior Democrats to take the lead in opposing administration policy. But he has made clear that he remains at odds with the Reagan administration's foreign policy in a number of areas. In particular, he has opposed giving military aid to the contra forces operating against Nicaragua's Sandinista regime. "I would hope," he said, "that we would ease up on our support of the contras."

He has also been an outspoken critic of the administration's policy stance on arms control. He was a co-sponsor with Senator Alan Cranston (D.-California) of a nuclear-weapons-freeze resolution, and he has serious doubts about the advisability of pursuing the administration's strategic defense initiative.

On other issues, Pell supported economic sanctions against South Africa; he

Lawrence L. Knutson covers Capitol Hill for the Associated Press. He formerly covered the State Department. CONGRESS covers events of particular interest to the foreign affairs community.

sponsored increases in aid to Cyprus and backed Greece in its conflict with Turkey; he opposed major U.S. arms sales to Pakistan on the grounds that it would damage U.S. relations with India; and he was involved in the Law of the Sea conference which led to a treaty that President Reagan declined to sign. Pell is the author of two treaties, one which forbids deploying weapons on the ocean floor and another that bans the use of weapons that would modify the environment.

When Congress was considering the administration's \$4.4-billion request for funding to enhance security against terrorists at U.S. diplomatic posts, Pell said that some of the cost estimates "appear unrealistic." But later, after the committee drastically cut the program, he voted with the majority to support the proposal of Senator Paul Sarbanes (D.-Maryland) to increase security funding by \$250 million.

Pell's father, Herbert Claiborne Pell, Jr., served one term in the House of Representatives, and was also the U.S. ambassador to Portugal and Hungary before World War II. Senator Pell served as a Foreign Service officer in Czechoslovakia and Italy from 1945-1952.

The Final Accounting: In the last days of the 99th Congress, the House and Senate scaled back spending on U.S. foreign aid, ignoring Reagan administration warnings that the cuts would undermine the ability of the United States to conduct an effective foreign policy. Congress, however, has insisted that in the climate of austerity imposed by the Gramm-Rudman-Hollings deficit-reduction law, spending cuts must be applied equally to foreign as well as domestic programs.

Congress approved a \$13.4-billion foreign aid budget for fiscal year 1987, a total that is \$2.1 billion less than President Reagan requested and \$1.5 billion less than was spent on foreign aid last year. Israel, Egypt, and Cyprus were spared from significant budget cuts, largely for domestic political reasons. Four other countries, the Philippines, Greece, Turkey, and Pakistan, as well as Northern Ireland, received less than was requested but were also protected from the deepest cuts.

Israel, the largest beneficiary of U.S. aid, gets \$3 billion in assistance: \$1.8 billion in military aid and \$1.2 billion in economic aid. Egypt gets \$2.3 billion, \$1.3 billion in military assistance and another \$815 million in economic assistance.

After a long struggle, the Philippines was given an additional \$200 million in assistance, an amount the House initially

approved only hours after President Corazon Aquino made a moving and enthusiastically received address before a joint session of Congress. That fact caused critics to complain that Congress was rushing through history's largest speaking honorarium in a time of soaring U.S. budget deficits. Preliminary attempts to win approval for the Philippines aid failed in the Senate, but the money was eventually appropriated.

Congress retained the so-called 7:10 ratio on aid to Greece and Turkey, providing seven dollars to Greece for every 10 dollars given to Turkey, although making reductions in the total amounts requested. Turkey received \$490 million in military aid, \$330 million less than the administration had sought. Greece was allotted \$343 million, \$159 million less than the administration request. Congress also earmarked \$250 million in economic aid to Pakistan, and authorized an additional \$312.5 million in loans for weapons purchases.

As for U.S. contributions to multilateral agencies, the administration had sought \$750 million for the International Development Association, the World Bank affiliate that makes loans to the world's poorest countries, but the final amount was \$622 million. In all, U.S. contributions to the World Bank and other international lending organizations fell \$443 million below the Reagan request.

The State Department and other foreign affairs agencies also felt the sting of budget cuts. The department had asked for a \$3.9 billion budget, but received \$2.5 billion. The administration of foreign affairs account was trimmed to \$2.1 billion from the final request of \$3.38 billion. Other accounts looked like this: international organizations and conferences, \$493 million requested, \$419 million approved; international commissions, \$29.7 million requested, \$29.2 approved. ACDA requested a budget of \$31 million, but only \$29 million was approved. The administration asked for \$959 million for USAID and got \$809 million; it wanted \$167 million for the Board of International Broadcasting and got \$140 million.

The catch-all spending bill that included the foreign operations money also contained some other features. \$440 million was provided for buildings overseas, but \$227 million was earmarked for enhancing diplomatic security at five posts: Istanbul, Lima, Bogota, Pretoria, and Cairo. The bill also set aside \$1 million for the National Bureau of Standards to evaluate the building of the new U.S. embassy in Moscow—which is running over budget and years behind schedule.



"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**

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

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 satisfaction receipt of order.



Morgan Pharmacy™

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

10-25-50

Foreign Service Journal, December 1976: "For many years in the State Department we have chosen from among almost 16,000 applicants about 110 of our nation's finest young leaders to represent us in the international world. But we top this off with the disgraceful and counterproductive policy of appointing unqualified persons to major diplomatic posts as political payoffs. This must be stopped immediately."

Jimmy Carter in Why Not The Best

Foreign Service Journal, December 1961: "Next month the results of the Selection Boards will be made known. The lists this year will receive even closer scrutiny than usual, for they cannot but reflect the administration's efforts to reinvigorate standards of government service...."

"A comment on the topic of selection out. This year five, instead of three, percent of each class will be identified for this purpose. Each case will, of course, involve personal hardship, but those charged with reviewing the boards' recommendations should know that in this task they have the backing of the Service in eschewing sentiment and applying standards of the highest objectivity."

"In point of fact, we hope the time is not far distant when the artificial yardstick used by the boards for initial identification of marginal officers can be abandoned entirely. What might be a sound proportion for one class might favor or work injustice upon another. The boards, in their collective wisdom, should work independently of such quotas. At the same time, ten years as a maximum time in grade before mandatory retirement seems excessively long and, in conjunction with dropping the percentage, this limit might be reduced to nine or even eight years." *AFSA Editorial*

Foreign Service Journal, December 1936: "As for chiefs of mission, their appointment is a presidential prerogative, but recent presidents have supported the professional and career aspects of the Foreign Service by promoting to these grades many men who have worked up through the ranks and by retaining them in office, or further promoting them, regardless of their political affiliation." *Joseph Grew*

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

IRAHETA & CO.
California Trading Co.

**California
Wines**

WORLD WIDE DELIVERY

Table
Premium
Select

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) 570-8545
Telex 257316

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

Tap a world market.



America's diplomats—a global audience of untapped potential

From Oslo to Ouagadougou, the *Foreign Service Journal* reaches the diplomatic community like no other medium. Our audience of Foreign Service members and their families is spread around the world at more than 250 posts in 134 countries. In most cases, they find themselves isolated from the American goods and services they

need. And when posted back to Washington they look for the people whose services will make their next overseas tour easier. No other magazine gives you this entire market—well educated, affluent, select and influential. When you advertise in the *Foreign Service Journal*, you have the world on tap.

FOREIGN SERVICE
JOURNAL

ADVANCING U.S. INTERESTS WITH FOREIGN ASSISTANCE

THIS YEAR THE Agency for International Development marks its 25th anniversary, and in the spring, the 40th anniversary of the Marshall Plan will commemorate the beginning of large-scale U.S. foreign assistance programs. Such milestones provide a natural opportunity to reflect on the constancies and changes in an organization, and on its role in the larger scheme of things.

One recent constancy at AID has been M. Peter McPherson, who has served as administrator for the entire six years of the Reagan administration. One change has been the high profile the agency has had, as observers of foreign assistance, members of Congress, and administration officials debate the nature of aid and the level of resources it should command. Controversies have erupted over issues as broad as the relationship between the political and humanitarian aspects of foreign assistance, and as specific as population control, contributions to multilateral agencies, and funding for AID. Two intimately related matters—trade and debt—have also claimed their share of headlines.

In late October, the JOURNAL met with Administrator McPherson to discuss the accomplishments of foreign assistance and the challenges—both political and developmental—that still remain.

There's been a lot of discussion about whether foreign assistance should be purely humanitarian, or whether it should serve the political interests of the United States as well. Are those two aims contradictory? How do you see the mission of AID fitting into that?

First, I assume you include economic development in your definition of humanitarian assistance and don't just mean disaster relief or providing food when a famine occurs. They are generally complementary, and I believe both the Congress and the American people really expect both. The facts are that the American people expect us to help our friends, and they don't expect a lot of our money to go to people who consistently oppose us. So I think it is reasonable that our foreign aid be—in part—political. Our political interests should be advanced. The president and the secretary have found that foreign aid was one of the more effective tools we could use to advance our interests. After all, in many developing countries almost the biggest single component of U.S. presence in the country is the economic foreign aid program.

I also believe that in the last few years we have come to see the foreign policy of this country as including a humanitarian, developmental component. That is, it

is in our national interest for these countries to be more stable, for their people to have higher incomes. So these two aims—humanitarian and political—merge.

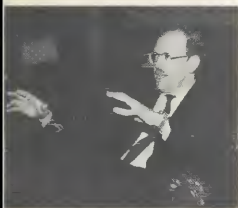
This merger is also reflected by how we have worked with the State Department. When I first got here, I went to see Secretary Haig and said to him: "I'd like to report to you. On paper, I report to the president. But as a practical matter, I'm not going to see the president every day about foreign aid. The AID program ought to be more closely coordinated with the State Department." Since then, I have reported to the secretary and attended daily senior staff meetings. It works well. Our proximity to State has given us—with our traditional perspective on development and humanitarian matters—an opportunity to argue our case to the State Department. I believe we've had a fair amount of impact on U.S. foreign policy as a result.

Do you see the emphasis between humanitarian and political interests as having shifted over the years? In particular, the Economic Support Funds, which are often viewed as the more political component of aid, have become a large part of the foreign assistance budget.

I think it's important to see how ESF is spent. There's no question that there are some very large and important political components to ESF; for example, the large amount of money we provide to Israel. On the other hand, about 25 percent of ESF is actually disbursed through projects in the same fashion as more traditional development assistance. Some of the money we give to Egypt is provided through projects, such as the large child survival one, which promotes the use of oral-rehydration therapy to prevent children from dying. And in Pakistan, much of the ESF money is used for development projects. Places like Zambia and Botswana, too, receive ESF money in the form of projects. ESF funds are also used for commodity import programs that finance the importation of U.S. products, such as fertilizer and agricultural machinery, that are essential for local production. Most of our ESF cash transfers are provided after the recipient government has agreed to essential economic reforms. So it is a mischaracterization to think of ESF as a totally political program without developmental or humanitarian goals.

In my view, countries receiving our aid fall into three broad categories. In the first, aid is clearly given

There's no question that there are some very important political components to ESF. . . . About 25 percent of ESF is actually disbursed through projects in the same fashion as more traditional development





*Administrator
McPherson
inspects an
irrigation project
in Pakistan.*

predominantly for U.S. foreign policy purposes and to help our friends—like Israel. At the other end, you have countries that are of relatively little foreign policy importance to us, but still receive a lot of money. The classical case is Bangladesh, which we give about \$150 million a year or more in development assistance and food aid. And then there are the vast majority of countries, which fall someplace in between.

On the subject of politics and AID, are there times that bureaucratic political considerations interfere with the disbursement of assistance? For example, when a particular bureau believes that for political considerations a particular country should not receive aid despite its need.

There's no question that there is some degree of tension between political goals on the one hand and humanitarian and developmental goals on the other. But I have not found it to be a question of whether we should give aid, but rather more a question of the volume or nature of assistance. Secretary Shultz is particularly sensitive to these issues, and it is very easy for me to get a good hearing. But sometimes we want to disburse assistance rapidly, which may have a political end to it. Rapid disbursement of assistance to friends in trouble may be one of the best things—long term—you could do for humanitarian purposes. On the other hand, occasionally we may want to disburse our aid through projects that are not government-sponsored. This tension exists and always will because foreign policy considerations are more immediate than longer-term development concerns.

For example, during the African drought last year

when we were talking about giving aid to Ethiopia, there was never any question that we should respond to the humanitarian situation there. The president said, "A hungry child knows no politics." What we did was give our food, not through the government of Ethiopia, but through private volunteer organizations that distributed it directly to the people.

This administration has placed much importance on the development of democratic institutions in the Third World. USIA, for example, has been involved through the National Endowment for Democracy. How has this emphasis on democratic institutions affected AID and the foreign assistance program? Has it influenced to whom you give money or the shape of the programs?

It has to some extent, and I think that has been a good thing. I believe firmly that citizen participation in cooperatives and other local activities builds a feeling among individuals that, in fact, they can affect their lives. That's true even if there is a dictatorship in the country that dominates national politics. Such local activities can build some experience with democracy and a feeling about it that can be tapped later. The Dominican Republic during the Trujillo years, for example, looked like an absolutely monolithic society. But since his overthrow, there have been a whole series of democratic elections. That's quite a record. It appears that there was quite a lot of local activity that the Trujillo regime did not pre-empt. Maybe I'm being optimistic, but I find Haiti intriguing, with its hundreds of churches and local organizations. A substantial portion of our aid re-

AID has always been a significant component of foreign policy. Was it for humanitarian reasons or foreign policy reasons that we had the Marshall Plan or provided half of the drought relief to Africa last year?

sources has gone through these local organizations. I think that in the years ahead these activities will prove to be a real source of strength for the democratic process.

This administration has also stressed the development of the private sector. How has that affected the agency and its programs?

This is an important component of our program. We have established the Bureau for Private Enterprise, primarily as a unit for experimenting with new approaches. The real resources and program activity is in the regional bureaus. The level of our private-enterprise activity has gone up steadily, and not always in ways that you might think. For example, we've moved our family planning programs—which are still very substantial and have grown considerably during the Reagan administration in total dollar value—into the private sector, notably by making contraceptives more available through commercial retail sales. In fact, in Bangladesh contraceptives reached the people much faster through the private sector than they would have done through the government. The same is true with a variety of other health programs, such as the distribution of packets for oral-rehydration therapy. The other side of private-sector development is—and I've felt this from the very beginning—that economic policies are at the crux of whether a country is going to develop. A lot of our money and effort has gone into getting countries to move toward more market-oriented economic structures. So, the concept of private-enterprise development has permeated our entire program.

Do you see the use of assistance to promote the private sector, and to pursue foreign policy goals, as something that started with this administration? Was it perhaps something that AID was neglecting before?

I think we have made as good or better use of foreign assistance to advance U.S. foreign policy interests as anyone has done. But AID has always been a significant component of foreign policy. Was it for humanitarian or foreign policy reasons that we had the Marshall Plan and the Truman Doctrine? Which was it when we provided 50 percent of the drought relief assistance to Africa last year—which had an enormous effect. It is clear that we probably saved millions of lives. But when I was out in the western Sudan, in the middle of the drought, they were calling the grain we delivered out there "Reagan." It wasn't "sorghum," it was "Reagan." We had an enormous impact in Africa, and millions of lives on that continent are going to be touched for some time because of Americans' extraordinary response to the drought. So these issues of humanitarian aid and foreign policy really do merge.

Is the agency sensitive to political concerns? For example, a film of the Ethiopian famine is shown on television, and aid is suddenly forthcoming even though the famine had been going on for some time. Or Corazon Aquino gives a speech to Congress and then the Philippines suddenly has \$200 million in aid.

I'd like to dispute the case of the Ethiopia film. We had given substantial assistance a year before and already had a task force under way here. So, we were going at a very rapid pace before the TV reports appeared. One of the reasons that, in the public eye, we were able to respond so rapidly, was that we were already responding. There's no question, however, that the TV coverage gave me a great deal more flexibility within the political process; it was easier to get the government machinery to move rapidly when the TVs were on. But we had done quite a lot before then.

Would you say the same thing about Aquino's appearance in Washington? Had AID been working previously to get her money?

Her appearance was certainly dramatic. We had not asked for additional money. That was an example where the political presence of someone with strong personal appeal really had an impact.

In 1981, when the president's former budget director, David Stockman, called aid "international welfare," one got the feeling that the Reagan administration wouldn't be too positive about AID. Did you also sense an antipathy toward the agency?

My wanting to report to Secretary Haig was based in part on my belief that I had to have a protector within the bureaucratic process. In those early days there were certainly many, like Stockman, who argued that aid should be dramatically cut. But Haig was very willing to fight for our budget within that process, not just ESF but the development assistance account. Secretary Shultz has been equally willing to do so.

But hasn't defending your budget in Congress proven to be difficult this year?

Our budget went up every year until fiscal 1986, when, as you know, it was cut. It is Secretary Shultz's feeling that we need to mount a major drive to get these levels back up. The secretary and the president believe a reasonable AID budget is essential to the achievement of a whole series of really important American objectives.

Why do you think the foreign assistance programs are so vulnerable when it comes to budget cutting? Is it just because there isn't a constituency among the public? After all, there seemed to be a lot of public support for relief efforts connected with the famine.

There really is no constituency for foreign aid. TV made the famine real to people, and they could feel it. You watch a starving child on TV and you say, "Well, we ought to do something about that." And, of course, we did. We got that food there, and the American people can feel very proud about it. But the process of developing a malaria vaccine, for example, is a long, slow one. We've put a lot of money into that every year since I've been here; We've gone from \$1 million a year to about \$5 million. We also need a green revolution in Africa. But the process of developing new seeds is a long-term one. A few weeks ago, at





The administrator checks on famine relief efforts in Ethiopia.

the U.N. special session on Africa, we committed \$1 billion to agricultural research over the next 20 years. That's not easy for the public to touch and feel.

Something else is also a problem: We sometimes provide money to countries where our relationships are ambiguous. There are some countries where we have certain security interests that are very important, but perhaps one of those countries votes against us in the United Nations. When they are always opposing us at the United Nations, it's rather hard to justify assistance. I'm sometimes asked about our cutoff of aid to Zimbabwe. My response is that we did enormously important things in that country for several years. Child mortality has been cut in half since independence, and we contributed to that. Agricultural production has increased tremendously. School enrollment is up dramatically. But we just can't have a country insulting us in the way that it happened there and continue to give them assistance. We cannot continue to get support from Congress for the overall program. In the end, the American public will not sustain support for large amounts of our assistance going to countries which they perceive to be unfriendly to the United States.

How does that apply to Ethiopia, which has a Marxist government?

We were not giving aid to the government—we were giving it to the people. And we emphasized the difference. I think that in the past we haven't always been sensitive enough to public perceptions.

We've been in this business for a long time. People don't realize that child mortality worldwide has been

cut by about 50 percent in the last 20 years. And we had a lot to do with that. The same with school enrollment, and life expectancy—people live on average ten, fifteen, even twenty years longer around the world. We contributed to that. But if you read this morning's newspaper it's got 10 stories about terrible things happening in the Third World. And people have no awareness that those things aren't as terrible today, in the whole scheme of things, as they were 20 years ago. So, as a citizen, you may not feel a sense of accomplishment, even though the gains are clearly there.

You mentioned that you would not be able to keep your support for the entire assistance program on Capitol Hill if you continued giving aid to Zimbabwe. You also mentioned that at one time you felt the need for a political protector. Do you ever feel like you might need a protector from Congress? Do you ever feel like Congress is attempting to micro-manage the assistance program?

Certainly we do. The problem with the congressional process is that various committees, or members, look at different parts of the whole program. They focus on that, work hard on it, and earmark it or restrict it. When you get through, you have a series of special interest allocations and restrictions without much concern for the impact on the coherence of the total program. It's not so much the intention of Congress to micro-manage, as it is that the process, with its multiple power centers, doesn't generally focus on the whole.

We often cancel out our benefits. The sugar quota had a dramatic impact on many countries receiving our assistance. Trade, investment, and aid are related—and slippage in any one area is harmful

Is this getting to the point where Congress's activities are interfering with your ability to use money in the most effective way?

Absolutely. There's no question that the earmarks and restrictions make it more difficult for us to do what Congress and the American people expect us to do. We can't use the money as well. And that's really most unfortunate.

Could the relationship between AID and Congress be altered to improve the administration of the assistance program?

I'm not sure I'm the person to recommend how Congress should be organized, but I do think people like Senator Nancy Kassebaum (R.-Kansas), who held extensive oversight hearings on AID programs and operations last year, and others like Senators Richard Lugar (R.-Indiana) and Bob Kasten (R.-Wisconsin) have come to see that the congressional process tends not to look at the integrated whole. My hope is that with the experience of this year, with a shrinking budget that is obviously producing inadequate results, that people will be more willing to look at the whole next year.

Representative David Obey (R.-Wisconsin) is saying that this is the inevitable consequence of Gramm-Rudman-Hollings—that as long as you have to cut the federal deficit you're going to have shrinking budgets.

That's a different point than one point I'm making. We have two problems. First, we think the overall levels would be inadequate even if the earmarks weren't there. The secretary and the president continue to make that case. This is the first time in many years that a president has been so publicly interested and involved in foreign aid. Then, along with the issue of the overall levels, you have the earmarks issue. My hope is that by building on Senator Kassebaum's hearings, in another year we can move towards resolving this whole problem.

When you distribute ESF money, isn't there a lot more flexibility in what the recipient can use it for than is the case with development assistance? In some cases we just write them a check. Are you concerned that AID might not have the same amount of control that it might if the money is used for development purposes?

We can carry out a wide range of activities using ESF monies. You can't just give a country a check without knowing where the money is going, and not worry about it. About 25 percent of ESF is actually used for projects. But what many countries have needed in the last few years has been fast disbursement of assistance—help with their balance of payments, for example. We usually provide those monies in connection with economic reforms. In fact, we have been urging other donors such as the World Bank to provide faster disbursement in a number of cases. So that doesn't bother me; I think fast disbursing of assistance is responsive to very serious economic problems.

What about Israel and its use of ESF?

I'm pleased to say that Israel has gone from virtual

hyperinflation to fairly moderate levels of inflation. There's no question that there was a serious reform effort last year. Now the question is whether Israel will have serious structural reforms—the marginal income tax break, the amount of government regulation, and development of the economy. I believe these changes are needed for them to sustain the economy. But a lot of economic reform took place last year.

You've made the point, throughout this interview, that one of the jobs of the assistance program is to get these countries to adopt economic policies that will encourage their own development. But what happens when you encourage them to move toward more private-sector, export-oriented programs and then Congress turns around and puts up some protectionist trade barriers, against sugar for instance.

We often cancel out our benefits. The sugar quota has had a dramatic impact on many countries that are receiving our assistance. This just goes to show that these problems of trade, investment, and aid are related—and slippage in any one area is harmful. We deal with the Treasury Department almost daily because it spends much of its time looking at the major Third World debtors who have a real impact on the international financial system. Until the past few years, AID had been relatively uninvolved in macro-economic issues. These days, we're negotiating with many governments over their economic policies and so there is much more of a presence in these countries.

For the last few years, AID's operating budget has gone through some hard times. Overall AID personnel—Foreign and Civil Service, Foreign Service nationals—has been reduced something like 20 percent in 10 years. Are you concerned about how this has affected the agency's ability to manage its programs.

When I came here, we had a little over 5000 people. Depending on how you calculate it, the number of direct-hire personnel has been reduced so that 8-10 percent no longer have a formal connection with AID. Some were put on contract, particularly the Foreign Service nationals. That's why the figures are a little confusing. But the American direct hires are clearly down by a substantial percentage. A very conscious decision was made to have almost all of those cuts come out of Washington. At the same time, I delegated a good deal more responsibility to the missions. In my judgment, a lot of the reduction in staff was actually helpful; I don't think we could have delegated as much effectively if we had kept the same number of people in Washington. And that delegation has, I believe, speeded up our procedures without damaging the quality of our programs. Moreover, that reduction in staff came over a period of years. Early on, Stockman and I each argued our case before the president on how fast these cuts should occur. We finally agreed that the numbers would come down over a period of years. So it hasn't been traumatic institutionally. I'm pleased to say that we've never had a RIF during my tenure at AID. But I think we need to maintain the kind of personnel levels we have now. This year, we obtained a few million dollars more in operating ex-





McPherson confers with officials involved in a water resources project in Jordan.

penses than we had last year. I don't see the financial need for more staff reductions.

What will happen if you continue to have funding for foreign assistance reduced during the next few years because of the need to cut the federal deficit?

We have been able to protect our operating expenses fairly well. We have had to run a tighter and tighter ship, but this year I felt our budget couldn't go any lower. In 1986, Senators Kastan and Daniel Inouye (D.-Hawaii) were absolutely key in keeping the funding for the operating expenses up. And once more this year, our operating expenses have been basically maintained. These have been tough years, but we've got a lot of friends on those key committees, and our relations with our committees on the Hill are really just excellent.

We've spent all this time talking about foreign policy and the private sector, but I'd like to point out how much the world has changed in the last 20-25 years. I've been following development issues since I was a Peace Corps volunteer in Peru. Since then, we've had the green revolution, without which you'd still have the threat of mass starvation in India. Twenty years ago, there was a famine in India that was a lot worse than the one we recently had in Africa. The child mortality rate, even in Africa, is down substantially; it has gone down by about half worldwide. In Nepal 25 years ago, only three percent of the kids ever went to school—today it's about 70 percent. That's a real impact, and AID has had a major role in every one of those areas.

As I look ahead to the next 25 years, it seems to me that, with reasonable funding and coordination with the rest of the major donors, we can do at least as much and probably a lot more. There are 200 million cases of malaria a year and it is a major killer of children. We now have a vaccine that we are about to test on humans. There are four major strains of malaria, and in 10 years we will probably have a vaccine for all of those strains. AID will have been a major contributor to that. Through oral-rehydration therapy, we estimate that we saved about 80,000 children in Egypt last year.

I'm also convinced that we can have a green revolution in Africa in a similar period of time. We have a sorghum variety, for instance, that we developed with Cornell and others. This sorghum has out-yielded traditional varieties by 150 percent and holds great promise for the semi-arid regions of Africa.

In family planning, we're putting a lot of money into research, testing the Norplant subdermal contraceptive implant. This is a set of little capsules that go underneath the skin and last about five years. It's a time-release concept—with the same drug as the pill—although the drug involved is released at a much lower rate and thus provides a lower dose than the pill. That's going to make it dramatically easier to provide family planning services. I can also see a whole series of advances on the technological front in other areas. Corresponding to that, you need political stability. If you don't have political stability and economic policies that stimulate growth in a particular country, it is very hard for broad-based economic development to take place. □

ON THE ROAD WITH RYDER

*Making tracks around the
world with the private sector's
interests in tow*

ALVIN P. ADAMS

IT BEGAN WHOLLY by chance, over the mustard bucket in the State Department cafeteria: "Al, I have the perfect assignment for you," said an acquaintance from the training division in PER. "It's called Ryder System."

"Ryder doesn't sound like an embassy," I replied, with suspicion. "More like a truck company. Any other ideas?"

"No. And for starters, Ryder does a lot more than trucks. The assignment would be the first in an experimental program of short tours for FSOs in American industry. You, Al, will be our guinea pig. Frankly, I can't think of a more suitable candidate. And, don't forget, headquarters for Ryder is in Miami. Winter, after all is just around the corner. Let me explain...."

Several weeks later I found myself in the department's travel advance office, wondering how the modest per diem would ever cover expenses for a six-month tour in Miami during the high season. (The answer is: just barely and only if you live like an FS-8.) In the interim, I had looked into the origins of this unconventional program. Secretary Shultz and Under Secretary for Economic Affairs Allen Wallis felt strongly that Foreign Service officers should be exposed to private-sector thinking and the concerns of American business. The program's theme is mutual benefit: to provide a concrete service to selected corporations in the form of an individual's international expertise, while developing more knowledgeable, broader-gauged officers. The process will also, it is hoped, erode the stereotypes that may have hindered the development of healthy relationships between industry and government. It might also assist the Service in coping with a practical problem of its own—what to do with surplus seniors.

The department, working through the Executive Council on Foreign Diplomats—a non-profit association of major corporations that sponsors cooperative programs with State—arranged interviews for me with two companies: Ryder and H.J. Heinz. The latter was seeking a person to work for six months in its Zimbabwean subsidiary, but problems of a practical nature eventually precluded that possibility. The assignment to Ryder, however, appeared eminently

more feasible, and the company's enthusiasm and professionalism, and its reputation as a youthful, high-growth, high-quality, service corporation, proved persuasive (it is the twelfth largest service corporation on the Forbes 500 listing). The fact that it had only a modest international presence—limited mostly to subsidiaries in the United Kingdom, Canada, and Japan—made the assignment all the more challenging.

Ryder's senior executive vice president, David R. Parker, explained to me in an early interview that top management felt a need to think more seriously about international markets and about ways to enter them at some time in the future. To this end, the company welcomed a senior Foreign Service officer who could serve as an informal consultant-in-residence, helping focus long-term strategic thinking while assisting with more immediate operational questions. A generalist with management and economics experience was what Ryder sought.

My precise assignment, we agreed, would be to develop an inventory of the company's international activities along with an agenda of issues it needed to address when considering a strategy for expansion. My time would be divided into two phases. First, I would have an orientation period under Parker's tutelage at corporate headquarters, where I would observe the workings of Ryder System, Inc., the management company that raises capital and defines strategic directions for the operating subsidiaries. Phase two would place me directly in one or more of these subsidiaries—the place where Ryder's revenues are actually generated, or, as the expression holds, where "the rubber meets the road" (not surprisingly, a favored phrase at this company). I would then be assigned responsibility for a specific business-development project.

After obtaining my wife's blessing for an eight-month separation (we commute on average every other weekend), and resolving the per diem rate for this assignment (a matter of unnecessary confusion), I departed for Miami—with little baggage, and even fewer illusions but determined to make the most of what promised to be a unique learning experience. What I found was a company that had advantages over the State Department in several ways, but especially in terms of timely and effective decision-making. Paradoxically, some of Ryder's strengths—most notably divisional autonomy—may well make it more difficult for it to operate efficiently in the international

Alvin P. Adams is a senior Foreign Service officer who served as ambassador to Djibouti, 1983-85. He is currently principal deputy to the ambassador-at-large for counterterrorism.

sphere. For me, the eight months at headquarters and at Ryder's Aviation Sales Division have amounted to a mini-senior seminar, do-it-yourself style. It has been a quick course in contemporary America, especially on the service sector of our economy and the Sunbelt—all from the vantage point of a sizeable (nearly 27,000 employees) and rapidly expanding corporation with nearly \$4 billion in assets. Ryder's diversity ensured a broad syllabus: municipal bond insurance, jet engine overhaul, aircraft leasing and sales of spares, customs brokerage and freight forwarding, and consumer and commercial truck rental, to mention only a few of the company's lines of business.

DURING MY ASSIGNMENT at corporate headquarters, I was involved in a variety of projects. One of the most significant was to help with the establishment and staffing of a company-wide International Steering Committee, perhaps the firm's most extensive effort to direct attention toward international opportunities. I was also involved in performing country risk analysis for several proposals for overseas ventures, helping design a major study to identify new foreign markets, and counseling the company on dealings with government agencies. At Ryder's Aviation Sales Division, where I worked during the final three months, I was assigned responsibility for helping develop a major overseas investment proposal for consideration by the board of directors. This involved several visits to the field, where the insights of some Foreign Service colleagues contributed to Ryder's understanding of local conditions and the suitability of the investment. I was also allowed a role in decisions on all aspects of the proposal. These questions went far beyond the normal career concerns of an FSO into marketing, product technology, personnel, and corporate structure.

Perhaps more important than these specific activities though, has been the perspective my experience at Ryder has provided on the differences and similarities between the State Department and the business sector. We do share, although to differing degrees, some of the frustrations inherent in any large organization of human beings—interoffice squabbles, executive stress, home office-branch tensions, jurisdictional questions, communication lapses, and just plain screw-ups. But there are definite distinctions, and the experience has helped clarify in my own mind the essence of government service and work in the private sector.

The differences have much to do with risk: its immediacy and measurement, as well as the consequences of success and failure. The assets risked by business—money, credit, and the corporate name—are its own, not the taxpayer's. Unlike government agencies, businesses must continue to move forward, with new markets and strategies, or they will perish. Movement is objectively measured by profit and loss. The consequences of misjudgment or bad luck are generally swift and predictable, more so than in government. Of course, not all businesses are the same. The degree of risk, the length of time it can be sustained, and the precision with which it can be measured distinguish one corporate system from another.



The company wanted a senior Foreign Service officer who could serve as an informal consultant-in-residence about international markets, helping focus long-term strategic thinking

The pattern of stock-ownership is one variable that appears to affect a company's risk-taking capacity. Corporations such as Ryder whose stock is held by only a few large institutions—such as pension funds—are in some measure hostage to the views of the analysts employed by those investors. Because such investors buy and sell in large blocs, they can precipitate uncomfortably large swings in share values and thus affect corporate price/earnings ratios. This possibility makes such companies somewhat more exhaustive in their efforts to assess risks, and perhaps also orients management toward a short-term profit outlook. These qualities may not be compatible with launching new endeavors in today's competitive international environment.

As for the human dimension, the lack of job security and greater flexibility in bureaucratic procedures in the business world help mightily to motivate people and facilitate results. In this relatively unstructured environment, personalities play an even larger, occasionally arbitrary, role than in government. Personal intangibles—like trust—become more important where risks are higher, and guidelines and constraints less evident. I also found that in business only those who get results get ahead. To keep the ball in play, avoiding disasters, is just not enough. There are fewer hiding places where non-performers can avoid being called fully to account. My experience at Ryder demonstrated that the only constant in a successful business is change, both in personnel and organization. It is said that a career in such a business starts anew with each fiscal year, if not quarter. By contrast, government workers—Foreign Service included—are generally free of the structural turmoil and unremitting pressures to obtain results. We are not so much charged with producing quantifiable results than with managing, as a trustee, the resources of others and recommending policies in accord with their wishes. Occasionally, however, the well-intentioned structures and impatience of our employers so complicate that task that simply keeping the ball in play must count as a solid hit.

At Ryder, I was constantly exposed to the tremendous variety of national issues of direct concern to this business and many others. For someone who had spent much of his career in internal department management, the range seems staggering: the privatization of public services; deregulation of the trucking, airline, and insurance industries; the pros and cons of voice-stress analysis in employment screenings; merger mania and defenses against unfriendly corporate takeovers; the deunionization of much of the American workforce and the growth of a new, service-dominated economy; the trend in U.S. corporations toward moving their manufacturing operations overseas; product quality and customer care as key themes in new business thinking; innovations in the U.S. transportation sector such as logistics planning on an international scale and global applications of "just-in-time" inventory operations; and lastly, the growing pains of a booming headquarters city which is equally a capital of Sunbelt America and of Latin America.

THE RYDER ASSIGNMENT also permitted me a first-hand look at some of the key management precepts of corporate America, at least as illustrated by a successful, diversified U.S. company. The contrast with public service is stark—and refreshing. I was most struck by the sense of accountability: by employees to executives, by executives to superiors, by the chief executive officer to the board of directors, and by all to the shareholders whose wealth is the primary concern to this company. Accountability brings with it clearer lines of authority than in the State Department, along with greater individual responsibility for decision-making on operational matters. But it also means less job security (people are more easily fired for unsatisfactory performance) and a far more comprehensive system of performance pay than that available in the State Department (bonus pay at Ryder can amount to as much as 100 percent of base pay for senior officers).

This accountability, along with an insistence that operational decisions remain with line units, is intrinsic to Ryder's corporate culture. This unwritten code of organizational values plays a key role in the company, ensuring not only that the financial success of a potential project is examined, but that whether it will fit comfortably into the Ryder world is also considered. Thus, business decisions may be affected by elements that are not strictly commercial, such as concerns about quality, personnel, and entrepreneurship. Ryder's obsession with minimizing headquarters staff without diminishing financial control also affects such decisions, as does its desire to maximize division autonomy.

A second aspect of Ryder's culture deals with the remarkable sense of social responsibility displayed by this corporation. Ryder justly prides itself on the extent of its participation in the Miami community, not only as a business, but through the work of individuals as well. This involvement reflects both a public spirit and enlightened self-interest, and also suggests that Corporate America holds an enormous reservoir of financial and human resources that can help address public issues, especially at the state and

local level. It is not only the fiscal desperation of governments that is encouraging corporations to play this role, but a reconciliation of sorts between business and government which, for so much of our history since the Depression, have been marked by an adversary tone (my own assignment to some extent also reflects this phenomenon).

Decision-making at Ryder differs significantly from the same process in the State Department. In line with the precept of divisional autonomy, operational decisions are usually made by the revenue-generating subsidiaries. The parent company—Ryder System, Inc.—is thus free to set strategic direction and to deal with certain special functions such as financial planning and the raising and allocation of capital for its subsidiaries. In many ways, the corporation is far more its own master when it comes to the making of decisions than we are in the Foreign Service. In sharp contrast with foreign policy work, Ryder appears to control to a greater extent the rhythm and substance of its decision-making. Sudden and dramatic intrusions are the exception, at least at the headquarters level. Not surprisingly, I found them more frequent at lower operating echelons, such as in the aviation divisions, where the day-to-day volume of transactions forced a more hectic pace in decision-making. But for the most part, Ryder's executives are not affected by the crises that mark the daily Foreign Service routine. Congressional deadlines, calls for press guidance, demands for instant responses to distant crises, or the struggles of working with sister agencies are not comparable to anything in the Ryder experience. This is not to deny that politics, personalities, and the unexpected play a role in business decisions. But in the private sector, there seems to be a larger degree of organizational integrity that serves to minimize disruptive elements, and hence, assure fewer spasms in decision-making. For one thing, of course, intra-company squabbles, unlike intra-government ones, are much less likely to feature end runs to powerful friends on Capitol Hill. This organizational integrity also provides a more stable basis for systematic corporate planning. But accustomed as they are to such a steady environment, few of my corporate colleagues, I concluded, could cope for long with the turmoil that governs the workday of many of our foreign policy managers.

Nevertheless, the environment at Ryder is hardly a static one. As a youthful corporation, it is very much oriented toward growth—assets in 1986 are nearly ten times their value in 1976. Change is a dominant theme. New acquisitions and divestitures of existing businesses occur frequently; there are constant shifts in market forecasts. New products are developed and the corporation undergoes yet another self-appraisal.

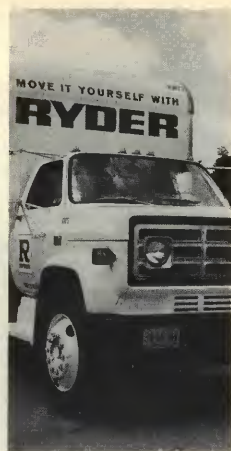
The management of these changes was one of the major tasks at the parent office. During my three months there, the company launched a number of new management initiatives, including an extensive campaign stressing the importance of quality in customer service and the design of an executive development program. These initiatives usually arose at the parent-company level. They were preceded by prolonged staff analyses, often in association with outside consultants, and the ideas were often discussed in

great detail among senior management. Their implementation throughout the corporate network was characterized by a scrupulous respect for the principles of decentralization and for the autonomy of the operating divisions.

Change has also hit Ryder's business activities—in the past 18 months it has opted to divest itself of several established product lines, launched an in-depth study of a radically new concept in transportation services as a possible new product, and through acquisitions entered a number of new transportation service markets—aircraft engine overhauls; student and public transportation; international freight forwarding, to name a few. Ryder takes extraordinary care to integrate newly acquired firms in a manner that reinforces divisional autonomy. Existing management is retained wherever possible and changes in operating methods are kept to a minimum. Most of the changes appear in the area of financial controls—where extensive reporting of results is required—and in tax and legal functions that are transferred in toto to the parent corporation. And, capital expenditures in excess of a certain limit and the creation of new positions in top salary ranges are subject to headquarters approval. As at State, the principal devices by which Ryder directs its network remain personal—the annual management objective statements and performance evaluations that tie the chief officers of its subsidiaries personally to their immediate supervisors in the parent company.

NOT SURPRISINGLY, Ryder is a more orderly and consistent establishment than the State Department. Of course, not all private companies are so well-run. Indeed, ten years ago, Ryder itself faced bankruptcy under the leadership of its visionary founder Jim Ryder. And there is still room for improvement in the company, especially if it is to function effectively overseas. There is a sense at Ryder that these improvements are possible; I worked on a few during my assignment. Ironically, some of these may need to address the very factors most responsible for the company's success: the autonomy of the divisions and the emphasis on steady incremental growth in earnings and return on capital. Since rigorous financial planning and successful short-term results are essential to the company's prosperity, speculative ventures and dramatic initiatives are not favored, although educated risks are acceptable. This approach occasionally means that opportunities for even more spectacular growth are forgone.

It is also fair to question whether at some point Ryder will not need to consider redefining, albeit modestly, the relations between parent and subsidiary, if it wishes to fully absorb the host of recent new acquisitions into an integrated network of transportation services. Ryder has reached a point where its future international ventures—and perhaps even its domestic operations—might benefit from more cooperation and communication between branches. The autonomy of the divisions and the relatively low numbers of headquarters staff work against these goals. But in the interest of pursuing objectives it values



At Ryder, accountability brings with it clearer lines of authority than in the State Department, along with greater individual responsibility. But it also means less job security

more, the parent company has simply been unable—and unwilling—to involve itself in its subsidiaries' operations outside of the areas of finance, legal advice, and human resources. Looking over my eight months at Ryder, I can fairly claim that the experience has enhanced my professional strengths as they relate to the Foreign Service. Most importantly, I come away with an insider's understanding of how a major American corporation, not untypical of many others, addresses international and domestic business decisions. A broader appreciation of this decision-making process, and of the internal dynamics of corporate America, strengthens the effectiveness of the Service and its credibility when called upon to recommend policies or to negotiate on matters which affect American business in foreign arenas. Also, assignments of this nature provide hands-on exposure to economic and regulatory trends that affect American business interests. Thus, not unlike the experience of senior seminar training, an assignment to private industry helps an FSO better understand what this country is about and be more effective in representing its interests.

Moreover, my time at Ryder gave me the opportunity to become acquainted with alternate styles of management and organization. Through such insights, a individual becomes better able to appreciate the Service's own strengths—and understand its weaknesses. Finally, a successful assignment to private industry offers an FSO a valued sense of achievement and of enhanced self-confidence. This comes from the knowledge that Foreign Service skills and experiences are relevant to more than the State Department. Indeed, you don't need a master's in business administration to make a concrete, measurable contribution to American business. The standard tool kit of the Foreign Service will do nicely: common sense, close listening, and a fair ability to quickly make sense out of a "foreign" organization, be it a host government, the Defense Department, or an American corporation. □

THE NEXT NUCLEAR POWER?

Pakistan's nuclear program is fast approaching a dangerous stage; soon a weapon may be more reality than dream.

HAROLD FREEMAN

PAKISTAN'S ENTRY INTO the nuclear age was modest. But those early beginnings are now taking on a more ominous cast. In a few years, possibly a few months, Pakistan may well be the possessor of an unsophisticated, but effective, nuclear device. All of the technology is already in place. For the United States and other western countries, this presents a dilemma: how to indicate their concern over Islamabad's aggressive nuclear program while supporting that country in its exposed strategic position. The answers are far from clear.

It has been more than twenty years since President Zulfikar Ali Bhutto contracted with Canadian General Electric for the building of a nuclear reactor that would provide electric power to metropolitan Karachi, with its population of five million. Fuel for the reactor—lightly improved natural uranium—was also to be supplied by Canada. The project, known as KANUPP, was financed by a Canadian loan of \$47 million. To ensure that the reactor was dedicated only to peaceful uses, Pakistan was required to permit the United Nations' International Atomic Energy Agency to monitor the reactor and fuel. The safeguards were established, and the KANUPP reactor came on line in 1972.

Soon afterward, during 1974–75, Pakistan contracted with Saint-Gobain Techniques Nouvelles (SGN) to build a large reprocessing plant in Chashma, in the north-central region of the country. It was to be capable of extracting plutonium from 100 metric tons of spent uranium fuel each year. SGN is a world leader in the technology of reprocessing, an area pioneered by the French. These negotiations were conducted with the approval of the French government; in fact, by 1977 it had become the major owner of SGN. After a further year of negotiation, a safeguarding agreement was reached between Pakistan, France, and the IAEA. Construction began in 1977, with an estimated cost of \$60 million.

Such a large reprocessing plant was hardly needed to meet Pakistan's energy requirements. Then and now, the country has no commercial-size breeder reactors that can burn plutonium for fuel. Moreover, the amount of spent fuel from KANUPP each year only totals 20 tons. With little fuel to reprocess and no need for using the extracted plutonium in generating electric power, why did Pakistan build such a large

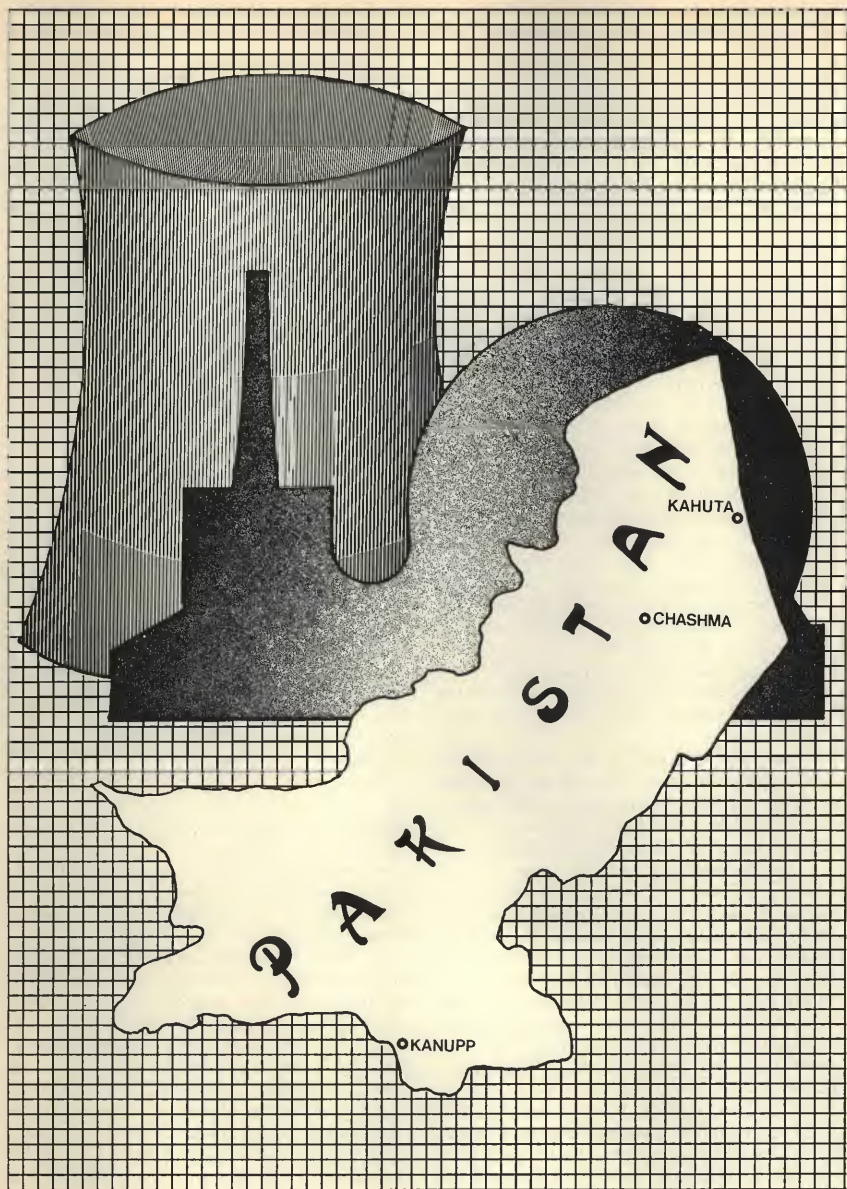
reprocessing plant? The answer: Pakistan was looking ahead, and in a different direction. Reprocessing spent uranium fuel to extract plutonium remains a preferred route to the nuclear bomb.

While the building of the Chashma reprocessing plant was proceeding, Pakistan was also developing a facility at Kahuta, 20 miles southeast of Islamabad, for high-level enrichment of uranium. But Pakistan had no reactors that used highly enriched uranium for fuel, nor were any such reactors planned. Once again, Pakistan had a different use in mind. Highly enriched uranium—an alternative to plutonium—serves admirably as the explosive ingredient in a nuclear bomb. And although enrichment may be the most difficult and expensive road to the bomb, Pakistan was not deterred. (Pakistan claims that the enrichment plant will provide fuel for future power reactors. It is difficult to take this explanation seriously.)

Beginning in 1972, one Abdul Qadir Khan—described as a family man, a good neighbor, and a dangerous street volleyball player—was employed by a major Dutch subsidiary of the URENCO uranium-enrichment plant, located at Almelo in the Netherlands. This super-secret operation was jointly owned by Great Britain, West Germany, and the Netherlands. For the next three years, Khan was able to tour URENCO, notebook in hand. In late 1975, Khan left URENCO with something more than handshakes. He took with him a set of enrichment plans, along with an invaluable detailed shopping list for components. In due time, he turned up at Kahuta, in charge.

Pakistan had already been refused in its attempts to buy an enrichment plant from the French. Once Khan arrived in Kahuta, he initiated an effort to accelerate Pakistan's own enrichment program. Using the shopping list drawn up at URENCO, along with Pakistan's network of dummy fronts and unidentifiable purchasing agents, Khan proceeded to buy the necessary components. Switzerland supplied the high-vacuum valves and a huge gasification and solidification unit (which filled three large transport planes); West Germany sold vacuum pumps, gas purifying equipment, and 10,000 aluminum parts; Britain provided critically important high-frequency inverters. Despite the protests of French officials, companies in that country sold 10,000 centrifuge bellows, while one of Khan's agents bought radiation-resistant thermometers from the United States. In the Netherlands, purchases were made of 6500 hardened steel tubes and a fluoridation plant. Some suppliers said that they felt free to sell

Harold Freeman is professor emeritus of statistics at the Massachusetts Institute of Technology.



sophisticated nuclear technology to Pakistan, confident that the Pakistanis could not operate the equipment.

A few illegal shipments were intercepted: one (out of 11) shipments of high-frequency inverters from Canada and one critical lot of krytons (high-speed switches used to detonate the non-nuclear triggering device in a nuclear bomb) from the United States. Although the transfer of the krytons produced six full columns in the *New York Times* and a one-hour public

television documentary, the incident reportedly ended with the United States paying the Pakistani agent's fare home and with Pakistan getting the switches after all, via another agent. In October-November 1983, Khan was tried and convicted (in absentia) by an Amsterdam court on the charge of smuggling. He received the maximum sentence of four years in prison, but in March 1985, a Dutch appeals court overturned the conviction on a technicality.

By the mid-1970s, the United States had become

alarmed by Pakistan's potential capability for developing nuclear weapons as well as by India's 1974 underground detonation of a Hiroshima-size nuclear device, approximately 13 kilotons. In 1976, Washington offered to supply conventional arms to Pakistan if construction on the reprocessing facility at Chashma was halted. This, it was hoped, would abort the rapidly developing South Asian nuclear arms race. But Bhutto declined the offer; in response, the United States cut off all economic and military aid to Pakistan in 1977.

In its efforts to stem nuclear proliferation in South Asia, the United States next took aim at France. It pressured Paris to require even stronger IAEA safeguards at Chashma, and then to get out of Chashma altogether. In June 1978, France officially withdrew, and U.S. aid to Pakistan was promptly restored. But the French thoughtfully left behind blueprints covering 95 percent of the proposed plant, as well as a substantial cadre of French nuclear technicians. French firms, including SGN, remained willing to provide technical advice and materials for cash into early 1980. Moreover, the withdrawal of official French participation relieved Pakistan of the need to submit to any IAEA safeguards.

Under these circumstances, the Pakistanis set out to finish the reprocessing plant themselves. They have probably already succeeded. If sufficient spent fuel can be found to allow the plant to operate near the level planned by the French, Pakistan should be able to produce 135 kilograms of plutonium per year—enough for an annual output of twenty 22-kiloton nuclear bombs, the same size as that dropped at Hiroshima.

Pakistan was also striking out on its own at KANUPP. After less than four years, the Canadians concluded that Pakistan's nuclear program was intended to serve other than peaceful purposes; in 1975, Canada discontinued shipments of uranium fuel and spare parts. But Pakistan soon found a better source of fuel—Niger. Between 1978–80, Libya bought 250–450 tons of uranium ore from Niger, and most of this tonnage was transshipped to Pakistan. Pakistan also bought 60–100 tons directly from Niger. It also received some supplies from its own mines.

By no later than the end of 1980, this unsafeguarded raw fuel, along with earlier Canadian instruction and equipment purchased in the open and black markets of Europe and America, allowed Pakistan to fabricate small amounts of its own uranium fuel. The fuel was short-burned in the KANUPP reactor, and, once irradiated, shipped to Chashma for eventual extraction of plutonium. In early 1981, the IAEA acknowledged that its inability to monitor the unsafeguarded fuel made it impossible to determine exactly what was going on at KANUPP. A year later, the IAEA received permission from Pakistan to upgrade to a higher level of surveillance, but it was two years too late. Should KANUPP continue to circumvent IAEA safeguards—or worse, withdraw from them—the uncertain volume of reprocessed spent fuel from the facility could supply the production of five to ten nuclear bombs per year.

Meanwhile, the enrichment plant at Kahuta continues to do well. With significant shipments of

equipment, along with some slightly enriched uranium possibly coming from mainland China and raw uranium from Niger, Libya, the black market, and Pakistan's own mines, the unsafeguarded Kahuta facility may deliver substantial amounts of bomb-grade uranium by 1987. In fact, according to Bob Woodward, writing in the *Washington Post* in November, the Kahuta percentage figure for uranium 235 is now 93.5, well above minimum bomb-grade level.

In 1984, Senator Alan Cranston (D.-California) estimated that the 1000 centrifuge units then at Kahuta could produce 33 pounds of bomb-grade uranium each year, enough for one or two nuclear weapons to be produced. By the 21st century—14 years from now—it has been estimated that high enrichment should be able to provide enough material for three to six devices each year. Pakistan has probably also begun to research laser isotope separation, a simpler and cheaper path to enrichment.

ONCE PAKISTAN HAS a large-scale spent-fuel reprocessing plant at Chashma and a large-scale uranium enrichment plant at Kahuta, only one link in the chain will be missing: a large-scale nuclear reactor that could produce significant amounts of unsafeguarded material. This could provide electric power for the back country as well as enough spent fuel to be reprocessed to secure an adequate supply of plutonium for nuclear warheads. Pakistan has decided to acquire exactly such a reactor. Initially, a 600–900 megawatt nuclear power plant was to be built at Chashma, and beginning in 1980, it would be followed by another reactor every two years.

Nothing quite that ambitious appears possible now, but the project is underway. The first reactor will produce 900 megawatts, more than six times that of KANUPP. The bill may run as high as \$1 billion, most of which is expected to be paid by Saudi Arabia. Although basic site construction got underway in 1982, no tenders have yet been received to build the reactor itself.

One possible contractor is France, with whom Pakistan has been having serious government-level negotiations since 1983. A second possible contractor is Westinghouse. Forbidden by American law to participate in unsafeguarded foreign nuclear projects, that company may be able to operate legally through its Spanish affiliates, none of them subject to U.S. statutes. The bids are likely to come from Equipos Nucleares SA; design and software by Nuclear Española; and reactor construction by SENER, an architectural-engineering firm with whom Pakistan has maintained close nuclear ties. Asked for an opinion of such an arrangement, the Department of State, the Department of Energy, and the Nuclear Regulatory Commission had nothing to say. Unless safeguarding becomes a condition imposed by bidders, the completed plant is likely to be outside the jurisdiction of the IAEA.

There may be problems in financing the reactor and there may be pressure by major governments on contractors to refrain from bidding. But it is safe to expect that the reactor will be built. The 900-

megawatt reactor will be built adjacent to the unsafe-guarded reprocessing plant in Chashma. The transfer of spent fuel rods from the reactor to the reprocessing plant will be quietly accomplished, and bomb-grade plutonium will be quietly extracted.

In April 1979, as the probable purpose of Pakistan's uranium enrichment plant at Kahuta became clear, President Carter again cut off all economic and military aid, scheduled to be about \$85 million during 1979-1980. But the fall of the shah of Iran, followed by the Soviet invasion of Afghanistan later that same year, renewed U.S. interest in rebuilding its friendship with Pakistan. In 1980, the Carter administration offered to restore aid, sharply increasing the two-year package to \$400 million and including advanced General Dynamics F-16 fighter planes. The offer was declined by President Mohammed Zia-ul-Haq.

One year later, Zia got a much better deal from President Reagan: a "loan" of \$3.2 billion, spread over the six-year period 1982-1987. In March 1986, the United States proposed a six-year (1988-1993), \$4-billion extension: \$2.3 billion in economic assistance (\$1.8 billion in grants and \$500 million in loans) and \$1.7 billion to be used as a credit for military purchases. The current agreement may be terminated if Pakistan explodes a nuclear device.

The agreement provides for the purchase of 40 F-16 fighters for about \$1.1 billion; some part of this bill will be covered, almost certainly, by Saudi Arabia. F-16s, with a combat radius of 575-700 miles, are classified as conventional weaponry, but they can carry nuclear warheads. Twelve had been delivered by July 1984, and by late 1985, almost all had been received.

FEW NATIONS ARE as surrounded by hostile neighbors as is Pakistan. To the west lies Afghanistan, with a long history of severe border disputes with Pakistan. The Soviet occupation has worsened the situation, putting Pakistan on the front lines between the U.S.S.R. and the attractive warm waters of the Arabian Sea. To the east is India, a people and government who have never been reconciled to the notion of a permanent, Islamic Pakistan. New Delhi retains its control over Muslim Kashmir while suspecting Pakistan of arming the militant Sikhs, some of whom have been waging a violent campaign for independence. Three times—in 1947, 1965, and 1971—India confronted and defeated the military forces of Pakistan. In 1971, Indian forces entered East Pakistan in support of the rebels, forced the surrender of 90,000 Pakistani troops, and replaced East Pakistan by independent Bangladesh. That same year, India also signed a mutual defense treaty with the Soviet Union.

Given this history of rivalry, Pakistan lives in perpetual fear of the Indian nuclear bomb. Unless Pakistan finishes Chashma and Kahuta successfully in the near future, India may take a page out of Israel's 1981 book on Iraq, and, destroy the two major Pakistani nuclear facilities. President Bhutto wrote, "Our problem, in its essence, is how to obtain such a weapon in time before the crisis begins." If it is attacked by India

or the Soviet Union, Pakistan has little confidence that its friends—even those of the Arab bloc—will come to its aid. This lack of confidence is not without foundation; in the 1971 war with India, Pakistan received vocal support from the United States, China, and the Arab states, but little more.

To President Zia and the leadership in Islamabad, the bomb could change everything. India, perhaps even the Soviet Union, would think twice before initiating a conventional or nuclear war. Three 40-kiloton nuclear bombs, each only twice the size of the one dropped on Nagasaki, could wipe out Calcutta, Delhi, or Bombay, with immediate death to two million and slower death to millions more. The bomb would also bring some fringe benefits; prestige in the Muslim world, and perhaps even a bargaining chip for the return of Kashmir.

The bomb may not belong solely to Pakistan. As Bhutto remarked when he began the project: "There is a Hindu bomb, a Jewish bomb, and a Christian bomb. There must be an Islamic bomb." (Despite the hostility between the Bhutto and Zia factions, both have supported Pakistan's nuclear ambitions.) The project has been financed in large part by Islamic oil money. Though it has never been visible in Islamabad's published budgets, Saudi Arabia has poured hundreds of millions of dollars into Pakistan's economy, most going directly into military projects. Over the period 1973-75, Iran contributed close to \$1 billion. Pakistani International Airways carried trunks of U.S. dollars from Qaddafi in oil-rich Libya to Bhutto in Pakistan—\$1 billion over the period 1973-1976. The contributions continued at reduced levels after Zia replaced Bhutto in 1977. Much, perhaps all, of this Libyan money went directly to support Pakistan's nuclear enterprises. Qaddafi has said: "The monopoly of the atom will be broken.... When that day comes, Libya will not be absent."

As Americans, we tend to focus on the superpowers, each of whom have 25,000 nuclear warheads. And well we should. But we should not overlook Pakistan, an impoverished nation moving systematically toward the bomb, with modern scientists in charge and modern equipment in place. As yet there are probably no assembled nuclear weapons, but that will be probably only a matter of time.

The prospect of another nuclear-armed country in such a volatile area of the world is not comforting. But in large part we asked for it. We chose to believe ten years of Pakistani denials and we may pay for that. Western nations made millions in profit, selling every needed nuclear component to Pakistan, and we may pay for that. We poured billions of dollars of conventional arms into this "buffer state," only to discover that the recipient was more interested in the ultimate weapons, nuclear arms; we may pay for that. However few and unpromising current South Asian nuclear options may be, we had better examine them—now. The first is undramatic but essential: talk. There should be an immediate conference among six nations: Pakistan, India, Israel, the Soviet Union, China, and the United States. It is only a small beginning, but it is the first step in helping millions of South Asian Muslims, Hindus, Christians, and Jews survive. □

Past Imperfect

IN MAY 1923, Lisperard Seabury and Edward Crocker were married and began their career in the Foreign Service. During the next 31 years they served in San Salvador, Warsaw, Rome, Budapest, Stockholm, Tokyo, Lisbon, and Iraq. Throughout that time, they wrote many letters to each other and to their families in the United States. The following selection was excerpted from a collection put together by their daughter, Lisperard Green, who accompanied her own husband, Marshall Green, through a 35-year Foreign Service career.

San Salvador, July 17, 1923

DEAR FAMILY,

If we had gone to some gayer post we would never have had a peaceful moment and Ned would not have had such responsible work to do. But here there is much chance for creative thinking and the necessity of developing good judgment. It thrills me to be able to get valuable information for him, and I am in a better position to do it than anyone else in the legation, on account of my youth and seeming innocence. Ned always talks over every single thing that happens at the legation in the morning and in that way I know what he wants to know and I can sometimes pick up the very bit of information he needs. I am laden down with secrets but I have always been a fairly discreet person, so I am not worried.

LISPEN

Warsaw, June 17, 1924

DEAR MOTHER,

Warsaw is admittedly the most expensive place in Europe and is really more than New York and considerably more than Washington. I might as well know whether or not I am going to be able to continue in the Service or not. And I believe it comes down to this, whether or not Uncle Ed is willing to help us out or not. I do not feel like being any more of a drain on you and Dad....

The facts are these about the Service. That a man can't accept a post as minister in one of the lesser countries unless he has about \$15,000 per year income outside his salary; and poor Mr. Gibson had to refuse the post of under secretary

A pre-war diplomatic family worries about the ever-present concerns of promotions, money, and morale

of state because he couldn't afford it. He probably has \$25,000 or \$30,000 private income. You see with all this in the future it might be well to decide at this point whether or not we shall be able to stay in it or not. There is little use in being so handicapped at the start that one knows one can never reap the benefits of hard work and accept promotion.

The Rogers Act provides for an immediate increase of my salary to \$3500 per year, which helps a little, but does not increase the pay of ministers or ambassadors. And after all this means only about \$90 per month extra....

EDWARD

Rome, June 19, 1925

DEAR MOTHER,

Here I shall learn something of how an embassy should be run and get experience that I could not get in Warsaw. I had responsibility there but had to work things out for myself and could never be sure whether I was right or wrong as there was no one to tell me. Mr. Fletcher, in Rome, is of course the first Service man ever to have been appointed ambassador. He was ambassador to Chile, so he is a man of the greatest possible experience. I am convinced that friends of mine in the department had me appointed here for my own good, in other words to give me a change to learn things which I never would get if I continued to go to posts with inexperienced ministers.

EDWARD

Budapest, January 3, 1927

DARLING MOTHER,

I guess you forgot that I told you last July...that owing to a desire to econo-

mize there would be no promotions or vacancies filled for one year in the diplomatic service. Ned is not due for a raise until September 1928. It takes three years to go half a grade, since the Rogers bill. Just twice as long as before.

LISPEN

Budapest, February 6, 1927

DEAREST MOTHER CROCKER,

The minister does not want to know or talk about any of the politics of this country. He has reached the age when anything serious bores him to death and he is absolutely no help at all to Ned in his political work.

Gordon introduced Ned to the under-secretary of state at the Foreign Office and we have lately met a young Hungarian diplomat who is in the commercial department of the Foreign Office. With the exception of these two men, both of whom are useless to Ned, he has no contacts with the Foreign Office, and yet he is supposed to know all the delicate shades and intrigues of Hungarian politics and report on them to Washington, and marvelously enough Ned is doing it and doing it very well. I have just read over his report and it shows a tremendous grip of the situation. Unless bad luck pounces upon us, Ned is bound to go far in the Service.

LISPEN

Budapest, December 19, 1928

DEAR MOTHER,

When a man is a professional diplomat, he must certainly prefer to take a diplomatic job. And the position of secretary of state, while it involves the exercise of diplomacy, is far more flavored with politics, and most career diplomats have a wholesome distaste for politics except insofar as politics would be regarded, among the more hard-boiled, as a means to an end.

EDWARD

Budapest, March 9, 1929

DEAR MOTHER,

The diplomatic service...has fallen into evil days ever since the passage of the Rogers Act of 1924 which made the consuls and the diplomats one—in other



Lispenard and Edward "Ned" Crocker before going to San Salvador in 1923.

words, the two form one list and it means that we diplomats, who are outnumbered by about six to one, must wait for a certain number of consuls to be promoted before our names can be acted upon. Here I have been in my present class (7) since August 1925—over four years—and no promotion. We are all in the same boat, of course. Relatively I stand as high as everyone else who entered the Service with me, and far, far ahead of the consuls. But I don't give a whoop about the consuls and their promotions; maybe they aren't getting a square deal but that's their hard luck. I don't see why we have to be held back to permit their wrongs to be righted. The last list of promotions contained something like 105 consuls and only 12 diplomats, and all these latter were in classes ahead of me anyway.

EDWARD

Stockholm, August 24, 1929

DEAR MR. HOWELLS,

These first months of Mr. Hoover's administration are critical ones for us, and as time wears on the great hopes which we all entertained...are being extinguished one by one. And as the list of appointments is reported in the press, it begins to look as if the old spoils system of the McKinley days was coming back into its own with a vengeance....With the morale of both the consular and diplomatic branches of the Service at the

lowest ebb since the days of William Jennings Bryan, one can readily see how Mr. Hoover's present policy will contribute to the suicide rate.

Our entire Foreign Service, including the running of the State Department, costs the American people only about \$3 million—that is, in the neighborhood of \$11 million and the revenues of \$8 million. Think of it. And then consider what we appropriate for the Army and the Navy which return no revenues whatever. We are the peacetime army and yet we spend a niggardly three million to that end. This is, of course, exclusive of the fund appropriated a few years ago for the acquisition of property abroad for legations and consulates.

A young man in the British service, and most others, can figure out almost to a certainty when he will get his promotions and just how many years it will take before he will be appointed minister, and, with luck, ambassador. But we can't. I hesitate to refer to myself but mine is the only case in which I have taken the trouble to get the figures: I entered the Service in 1922; seven years have elapsed and I have not yet received a second promotion. If I get one next year—which is by no means certain—that will be an average of four years in each class. There are eight classes to pass through before I would be eligible to appointment as minister—and even then they may appoint an Oklahoma sheep

rancher in my stead. That means 32 years must elapse, and I shall then be 59 years old. During the preceding 15 years I may well be serving as counselor and first secretary under a minister or ambassador many years younger than I. The law provides for my retirement at the age of 65. So I shall have been, with luck, a minister for six years upon retirement, and probably at a post like Haiti, or Nicaragua.

And my position is as favorable as can possibly be, as far as the promotion list is concerned. When I received my last promotion, I passed over the heads of some 114 unfortunate individuals.

EDWARD

Stockholm, November 10, 1929

BELOVED FAMILY,

Last week we received a despatch from the State Department saying that from now on his class (class VII) would be known as "second secretaries" instead of third secretaries. Ned was simply furious to think that after seven years of service, he and all his class should not be promoted to the actual rank of second secretary, which is class VI. I suppose the State Department felt they had to do something about the discontent in the Service, and they thought to call us something nicer would appease us. Whereas of course it only discourages us, much more because it makes us realize that now our promotion will be postponed indefinitely. A hard life, this!

LISPEN

Stockholm, January 14, 1930

MY DEAR MR. MINISTER,

Since the receipt of your letter, my ideas about the Service have been agreeably blurred by promotion [to class VI], which has started the blood circulating again. As you say, the unhappy state of mind which prevails at present among the great majority of the Service men arises largely, if not entirely, from questions of personnel. The recent efforts of the secretary in fighting for and obtaining increased appropriations have been very heartening and point to progress in the future....However, all the millions of dollars in the world will not make a career for those men who are interested in the Service for its own sake. The career itself is its own reward, or should be, and therefore it seems to me that the most vital thing is that the rewards of Service should not be withheld from those who have earned them....Specifically, I refer to the present policy of appointing all the Service ministers to Latin America. This is very desirable and we

hope will lead to a marked improvement in our difficult relations with that part of the world; I believe that every Service man should be willing to take his turn in that part of the world, although frankly, I shall shiver with distaste when my turn comes. But, and this is a large but, any policy which makes a Latin American assignment the ultimate end reward for 15 or 20 years of honest service is, in my humble opinion, most unfortunate.

EDWARD SAVAGE CROCKER

Stockholm, October 9, 1930

DEAR MOTHER,

For the first time in history, there is an entertainment allowance available for the legation and which I may use while I am charge d'affaires, so that now I can give a few dinners at the government's expense. Things are brightening up. Of course the rent allowance is not sufficient but it is just that much relief and, furthermore, it means that the principle has been accepted and it is not unlikely that the amount will be increased in future years until an adequate sum is finally appropriated by Congress to cover all rentals.

EDWARD

Stockholm, January 5, 1931

DEAR MOTHER,

A new secretary has been assigned to us; a third secretary, the only trick in it is that she is a woman, Frances Willis. The only woman in the diplomatic branch of the Service, although we have one or two vice consuls who are women. Well, I really don't care very much personally, although in principle I am entirely against having women in the diplomatic service.

EDWARD

Stockholm, June 7, 1933

DEAR MOTHER,

A letter from [Ambassador] Morehead yesterday says that he had just returned from Washington where he had spent some time at the department. He said they told him they had terminated the services of 67 career officers, or 10 percent of the Foreign Service, but he said that we in Stockholm were safe and that no transfers were contemplated...

I am disgusted with Roosevelt; I had great hopes that with his cultivated upbringing and background, his courage, intelligence, and obvious desire to overthrow the evil customs of the past, he would give the diplomatic service a chance and would serve the country well by appointing good men as ambassadors

and ministers. And up to the present he has acted worse than Hoover, which was the zero in action, in my opinion. Roosevelt has let the office-seeking swine get not only their snouts but all four feet in the trough.

EDWARD

Stockholm, July 5, 1933

DEAR MOTHER,

As a taxpayer you may be gratified that the government is not squandering your money in the realm of the Foreign Service at least. When nervous breakdowns occur due to worry occasioned by financial difficulties of those trying to live on government salaries, then I feel that the limit in economy may safely be said to have been reached. My total reductions for the past year are about 50 percent, and I believe this is far in excess of the reductions suffered by any government employees in the United States.

EDWARD

Stockholm, August 3, 1933

DEAR MOTHER,

We are now under a regime known as the "New Deal" and it does not follow that what has been traditional during the past 12 years is necessarily right any longer. Whether I like it or not, I must admit that I have been brought up in diplomacy in what must be acknowledged as the Republican tradition and consequently it takes more readjustment than I would have believed possible for me to adopt the new point of view. I am bound to admit reluctantly enough that there is a great deal to be said for the practice of appointing political ministers and ambassadors because in that way you at least get men who are presumably wholeheartedly in favor of the regime they represent. It is entirely impossible for a man to be without any views at all, and if he has these views he must necessarily be partial to one set or another.

EDWARD

Tokyo, September 26, 1933

DEAR DAD,

This profession of mine is a fine one, I think; but it naturally has its ups and downs, its good points and its bad. Both Lisenard and I get quite tired every once in a while and the thought of a quiet life appeals to us; on the other hand I know it to be a fact that practically without exception those of my colleagues and friends who have resigned from the diplomatic service have regretted it, and have longed to return to it. Only a few of them have been able to, naturally, but those who were able to return did so.

Another thing is that having spent 11 years in this sort of work, I do not believe that I should be fitted for anything else.

EDWARD

Tokyo, September 15, 1935

DEAR MOTHER,

Well, I finally got my promotion. Yesterday I was just beginning to decode a telegraph which began: "The department is gratified to inform you that the president has approved the following list of promotions" and so I hastily ran my eye over the code groups until I came upon one which looked like it might be my name and decoded that one right then and there, and it was.

That makes me a Foreign Service officer class V at \$5000 per year. Still a long way to go; but if I live long enough I'll make it yet.

EDWARD

Tokyo, September 27, 1935

DEAREST MOTHER CROCKER,

On October 25th, Vice President Garner and about 50 senators and their wives will be here for the day and we are having a reception at the embassy for nearly 1000 people, which will mean more napkins and silver. And I had so hoped it would mean that I could have one of my wonderful lames made into a tea gown as I have so few chances here to wear them because so many people outrank me here who wear very dull clothes, but Ned says that senators are always on the lookout to find fault with the diplomatic service which they consider perfectly useless and that I must be dressed in the height of simplicity.

LISENARD

Tokyo, February 26, 1936

DARLING MOTHER,

Early this morning there was a coup d'etat and some young army officers killed at least six of Japan's most distinguished and important men...

I immediately sent our new second boy Ishida-san off to school in a taxi as I was told that Lisa would be less conspicuous in a taxi than in our bright green car with a diplomatic license. As soon as they had started I heard that some streets were shut to all traffic except diplomatic cars, so it was hard to know what to do, but in any case Lisa was safely restored to me before long.

LISEN

Tokyo, October 30, 1937

DEAR MOTHER,

On Thursday, October 7, the morning



Lispenard and Ned Crocker going to Court in Tokyo on New Year's Day, 1940.

papers were full of Roosevelt's speech against "Aggressor Nations." It was a terrible shock to us all and you can't imagine how sad and depressed we feel. [Ambassador] Grew told Ned he felt like an architect who had spent five years building a house and had had it destroyed overnight. This is very private and only for your personal information. I only tell you so that you can see how discouraged and disappointed we all are by this stand that Roosevelt has taken against Japan. It makes diplomats absolutely heart sick to see their work of years wiped out in an hour....

Mr. Grew, Ned, and all the rest of the embassy staff have been writing shiploads of despatches for years explaining all the ins and outs of the situation, so there simply cannot be a lack of understanding. There hardly seems to be any use in having a diplomatic service. It seems futile to work for a government which thinks it can manage the world independently. What are we out in the field for? All our signals, warnings, and precious information procured at great sacrifice are ignored! On the other hand, perhaps the diplomatic service is the last hope for peace, and we have all redoubled our efforts on that slim chance....

There is something rather touching in the way diplomats usually grow to understand and to sympathize with the countries they live in. That is why they have to be moved so often, as it is vital

to keep impersonal and unbiased.

LISPEN

Tokyo, November 28, 1937

DEAREST MOTHER,

At every party, diplomats can be seen standing aside from the general group and talking in undertones to each other. Even without lip reading, you may know that most of the conversations begin: "Have you heard..." "Can you confirm a report I heard..." There is always an ominous undercurrent to parties now. To the fly on the wall they probably seem as gay and carefree as ever, but the fly wouldn't know. Some of the diplomats who used to avoid parties as much as possible because parties bored them, can now be seen at every one. It is at parties that diplomats often make hay, so even though we are at war, we still have parties.

LISPEN

New York City, November 29, 1939

DEAR LISPEN,

I am certain neither you nor Ned would ever be happy until perhaps you reach my age, to leave the Service. There is an interest, glamour, and charm about it that would prove an irreparable loss and you would not be conscious of it until you had taken the fatal step and then it would be too late to retrieve it. You will doubtless always enjoy a wide diplomatic circle of friends but when you step

out of the charmed circle you will find it very different and you will always be referring to the happy days when you were actually in the Service and I am certain you would both long for it. Besides I think that the determining factor is really Lisa—she loves the Service—she loves to think of you both as in the Service, which means much in distinction, prestige, and position which would certainly be different the moment Ned resigned. You enjoy a circle now that is calculated to afford Lisa the most desirable opportunities in the world for her own future, and to me it is dreadful to contemplate the abandonment of Ned's career just as he is beginning to acquire some rank and is progressing so splendidly. No one can tell what changes may come in the Service but they all ought to be beneficial to men of Ned's class. This war will result in greatly increased activity in our State Department, much larger staffs will be needed throughout all of the western hemisphere and, in my judgment, India and other countries in the Far, Middle, and Near East should demand much greater attention than they ever have received from us before, so there will be a "bigger and better" State Department, I am certain. This is no time to become discouraged or impatient with the slow progress of events—so do be patient, dearest Yip, and hold on tight to the blessings you have in the position you both occupy and both fill so splendidly—and don't, I beg of you, get off of your regular track.

DAD

Edward and Lispenard Crocker did not get off their track. Lispenard was evacuated from Japan in 1939, while Ned stayed behind. On the morning of December 8, 1941, Ned went to the office to check on in-coming cables—normally a slow morning as it was Sunday for the State Department. While he was there, the third-ranking official of the Foreign Office, Mr. Ohno, arrived saying that he had a message of "gravest importance." He unrolled the Imperial Rescript, and read out the declaration of war. The embassy compound gates were locked as he read. The ambassador returned, and all the staff remained locked in, in the clothes they wore, until June. Finally, exchange arrangements were agreed upon, and the American staff left to be exchanged for the Japanese diplomats who had been serving in Allied countries. The two sets of diplomats walked past each other without exchanging a word.

In 1949, Ned was at last appointed ambassador to Iraq, and served in that capacity for four years. He retired from the Service in 1954, having served 31 years. □

PEOPLE

AFSA Scholarship Applications Available

Complete information on the Merit Awards and Financial Aid Grants offered to dependent children of career Foreign Service personnel (active, retired with pension, or deceased) is now available for eligible students by writing to Dawn Cuthell, AFSA Scholarship Programs, 2101 E Street NW, Washington, DC 20037.

The following letter was published in this section in last December. Because it gives sound advice to students and parents regarding the Merit Awards, we are publishing it again to assist applicants in 1987.

DEAR PARENTS:

At a point where you are struggling with college applications and financial aid forms, it is a bit daunting to bring another topic before you. Nevertheless, if the high school senior in your household has not applied for the AFSA/AAFSW Merit Awards, it could be rewarding to encourage that application.

Briefly, the Merit Awards are \$500 each, and about 22 are awarded annually. These awards are determined by a total scoring of academic average, class standing, College Board scores, extracurricular activities, letters of recommendation, and a short essay on one of three suggested topics.

The first five categories will already have been established at the time of application. The final determinant—the essay—has not. A good essay is in itself a delight. The best capture and communicate with special freshness an experience or view of life unique to the writer. It is a crucial element in the scoring and can make the difference between a winner and just another applicant. We arrange for publication of the best of these essays (perhaps you have already enjoyed some of the selections) regardless of the final standing of the applicants. In recent years, however, we have noted a rather casual approach taken toward the essay that frequently affects final placement of the candidates. Many submissions are characterized by poor organization, elementary errors in

spelling and punctuation, and hackneyed phraseology or comment. This is *not* to suggest heavy "parental guidance." (Adult authorship is fairly easy to identify.) Discussion with your student beforehand, however, could be rewarding for both of you in recalling shared Foreign Service experiences or gaining a fresh perspective of your child's reaction to changing school experiences. Urge your student to review carefully his or her submission for spelling and grammar to present the best face to a judging panel. We hope the experience will be as interesting for your family in its creation as it will be for us to review.

A final thought: Not everyone can be a winner. Your student may have the SAT scores of a genius and the extracurricular achievements of a Michelangelo, but so do a lot of others. If disappointment comes, it can be a valuable experience in learning "good loser-ship."

Good luck to all your students.

DAVID T. JONES
State Member

AFSA Committee on Education

AFSA/AAFSW Scholarship Programs 1987-88

Who? For dependent students of Foreign Service personnel who are serving or have served abroad for foreign affairs agencies covered by the Foreign Service Act.

What? *Merit Awards* for graduating high school students in 1987 only, based on academic merit. *Financial Aid Grants* to fulltime undergraduate students in the United States, based on need.

How? Apply immediately to AFSA Scholarship Programs, 2101 E Street NW, Washington, DC 20037, phone (202)338-4046. Specify type of scholarship and Foreign Service affiliation.

When? IMMEDIATELY. All applications must be completed and materials returned to AFSA before February 15, 1987.

Children of Foreign Service personnel in the lower grades are especially encouraged to apply.

Deaths

H. FREEMAN MATTHEWS, the senior living American career diplomat, died October 19 at the age of 87 following a long illness. During his 38 years in the Foreign Service, he served as ambassador to three countries and became the first career officer to become deputy under secretary of state.

Born in Baltimore, Mr. Matthews received his bachelor's and master's degrees from Princeton University and continued postgraduate work at the Ecole Libre de Sciences Politiques in Paris. He joined the Foreign Service in 1924 and then served in Budapest, Bogata, Havana, and Paris.

In 1939, Mr. Matthews became the first U.S. representative in Madrid after the Spanish civil war. During the fall of France in May 1940, he accompanied the fleeing French government to Bordeaux and then became American chargé d'affaires to the Vichy government.

During and after World War II, Mr. Matthews was an adviser to Presidents Roosevelt and Truman at meetings with the allied leaders at Cairo, Yalta, and at the subsequent "Big Four" conferences. He was ambassador to Sweden, the Netherlands, and Austria. When the new "five-star" rank of career ambassador was created by Congress in 1956, he was one of the first four officers to be selected. In 1972, he was awarded the AFSA Cup for his "outstanding contributions to the conduct of foreign relations of the United States."

After his retirement from the Foreign Service in 1962, he worked from then until 1968 for the CIA's Board of National Estimates, which reports to the president on political and security tensions in various foreign countries. While at the CIA, Mr. Matthews was chairman of the U.S. section of the U.S.-Canadian Joint Board on Defense and was honored with the Intelligence Medal of Merit.

He is survived by his wife, Elizabeth M. Matthews, of Washington, two sons from his first marriage, H. Freeman Jr. of Chevy Chase and Thomas Luke of San Rafael, California, and seven grandchildren.

RICHARD STRAUS, a retired Foreign Service officer, died as a result of injuries he received in an automobile accident on October 4. He was 60.

Mr. Straus, a native of Germany, came to this country in the 1930s and served with the Army in Europe during World War II. He became a Foreign Service officer in 1948 and served until 1978. During that time he was consul-general at St. John's, Newfoundland, consul in Vienna, a Foreign Service inspector in Mexico, and served as director of the office of West

European and Canadian programs in the old Bureau of Educational and Cultural Affairs.

At the time of his death, Mr. Straus was a Washington correspondent for a Jewish weekly published in West Germany. He also reviewed high school textbooks on behalf of the West German government to determine whether the reporting of the Nazi era was accurate. He received an award from the West German government for his work in reconciling Germans and Jews. A published author, Mr. Straus was also translating a German-language work on West Germany's Green party.

He is survived by his wife, of Bethesda, Maryland, who was injured in the car accident, his son, Alan, of New York City, and his mother, Gertrude Straus of Baltimore.

W. AVERELL HARRIMAN, former ambassador, secretary of Commerce, governor of New York, under secretary of state, and sponsor of AFSA's W. Averell Harriman Award, died July 26 at his home in Yorktown Heights, New York, of kidney failure and pneumonia. He was 94.

Mr. Harriman was educated at Groton and at Yale University. He then worked for Union Pacific Railroad, soon becoming a vice president and later chairman of the board. He was also executive committee chairman of the Illinois Central Railroad Company. In 1920, he organized W.A. Harriman & Company, which later evolved, through a merger, into the banking firm of Brown Brothers, Harriman & Company. In 1928, Mr. Harriman switched from Republican to Democrat, and in 1933 he agreed to serve on the Business Advisory Council created by President Roosevelt to mobilize support for the National Recovery Program. In the late 1930s, he developed Sun Valley, Idaho, as a ski resort in order to expand his railroad's business. He was the first in this country to order all-aluminum streamliner trains.

From 1940-41, Mr. Harriman was chief of the materials branch of the Office of Production Management. From 1941-43, he was Roosevelt's special representative in London for the lend-lease program and went on special missions to the U.S.S.R. as well. He attended the Atlantic Charter meeting between Roosevelt and Winston Churchill in 1941, and all but one of the major World War II conferences, including Moscow in 1942, Casablanca in 1943, Cairo and Tehran in 1943, Moscow in 1944, and Yalta and Potsdam in 1945.

He was ambassador to the Soviet Union from 1943-46 and to Britain for six

months in 1946, before being called back to Washington by President Truman to replace Henry A. Wallace as secretary of commerce, a post Mr. Harriman held until 1948. From 1948-50, he was the European director of the Marshall Plan, and from 1950-51, special adviser to the president on foreign affairs. He served as director of the Mutual Security Agency from 1951-52. He was governor of New York from 1955-58, a title he prized above all. He sought the presidential nomination in both 1952 and 1956, but each time was defeated by Adlai Stevenson.

Mr. Harriman served as ambassador-at-large in 1961 and from 1965-68. He was assistant secretary of state for Far Eastern affairs from 1961-63, during which time he negotiated at a 14-nation conference in Geneva and in shuttle trips to Southeast Asia to achieve an agreement on Laotian neutrality in the Vietnam war. He was undersecretary of state for political affairs from 1963-65 and chief of the U.S. delegation to the negotiations on Vietnam in Paris from 1968-69. Following these assignments, he continued to testify before Congress on his areas of expertise and occasionally to travel abroad on ceremonial missions for the White House.

In 1968, AFSA established the Harriman Award, which is given every year to a junior officer who has displayed "outstanding intellectual originality, courage, forthrightness, and creative dissent." It carries a prize of \$2500. In 1985, AFSA presented Mr. Harriman with honorary membership in the Association, with then-President Dennis Hays observing that "this nation has a proud tradition of citizen-diplomats who have contributed enormously to the security and well-being of the United States. Each member of the Service has his or her own list of the best recent non-career diplomats. On each of those lists, you would likely find...Averell Harriman....I am confident I speak for the entire Service in saying that we welcome them for their experience, dedication, and judgment. At this calibre, we'll take all we can get."

Mr. Harriman is survived by his wife, Pamela.

DAVID GRAYSON GURNEY, son of Foreign Service Officers Yvonne Ann and Charles R. Gurney, died in a motorcycle accident May 25 in New Hope, Pennsylvania. He was 25.

Mr. Gurney was born in Pago Pago, Samoa, and accompanied his family on assignments in India, Colombia, Pakistan, Turkey, Afghanistan, and Bangladesh. He was graduated from the George School in Newtown, Pennsylvania.

Survivors include his parents; a sister, Lisa, of Arlington, Virginia; a brother, Delos, of Washington; and his grandparents, Peter and Karen Johansen, of Yankton, South Dakota. In lieu of flowers, contributions may be made to the George School.

MARIA D'AGOSTINO BOOTH, wife of Richard T. Booth, a Foreign Service officer, died June 23 in Brussels from cancer. She was 53.

Ms. Booth, a native of Italy, was graduated from Milan's Brera Academy and the National Tourism School. She was branch manager of the Rome travel and public relations office of Italy's state oil enterprise before leaving her job to marry. She accompanied her husband on assignments to Monterrey, Veracruz, Tegucigalpa, Oslo, Rome, Bogota, Lima, and Brussels. Her artwork appeared on the cover of the JOURNAL. Her most successful art exhibit was held in Oslo in 1976. Ms. Booth was also active in charity work, including designing and creating decor for a charity ball in Tegucigalpa and a musical revue in Bogota and overseeing preparations for the ambassador's annual *Noche de Arte* in Lima while she was president of the American Women's Club there.

In addition to her husband, she is survived by a daughter, Sylvia. No flowers or charitable contributions are desired.

JOHN A. GLEW, a retired trade promotion specialist with the Foreign Agricultural Service, died of a heart attack on September 3. He was 60.

Mr. Glew, who joined the FAS 1969, was involved in promoting agricultural exports and was stationed in Milan and Tokyo. In the course of his career, he received Agriculture's Distinguished Service Award and two Certificates of Merit. He retired in 1984.

A native of Fort Fairfield, Maine, Mr. Glew is survived by his wife, Mary, of Arlington, and his mother, Mary Jane Glew of Fort Fairfield.

MORRIS ROTHENBERG a retired Foreign Service officer, died August 18 at a hospital in Derry, New Hampshire, following a heart attack. He was 65.

Mr. Rothenberg was graduated from Cornell University. He served in the Army in North Africa and Italy during World War II. In 1948, he joined the State Department as a political analyst. He served at posts including Moscow, Hong Kong, and Mexico City. He retired as deputy director of the United Nations desk in 1974.

Mr. Rothenberg later taught at the University of Miami, Florida. He was a

member of the board of the Advanced International Studies Institute and editor of its periodical, "The Soviet Outlook." He was also the author of books including *Soviet Penetration of Latin America and Whither China: A View from the Kremlin*.

Survivors include his wife, Patricia, of Sandown, New Hampshire; two daughters, Laura A. Whitaker, of Troy, New York, and Naomi S. Rothenberg, of Beltsville; two sons, Benjamin L., of Washington, and Jonathan A., of Boston; his father, Henry, and a sister, Gertrude Bacol, both of Buffalo; a brother, Solomon, of

Canandaigua, New York; and a grandson.

CHARLES R. FOSTER, a political scientist and frequent contributor to the JOURNAL, died of cancer July 29 at his home in Washington. He was 58.

Mr. Foster was born in Czechoslovakia and emigrated to this country in 1939. He was graduated from Harvard University in 1949 and earned a master's at Stanford University. He also attended Ohio State University and the University of Cologne. He taught political science at several universities, and, in 1956, he came to Wash-

ington on a congressional fellowship. He later joined the Department of Education, and retired as acting chief of bilingual higher education in 1982.

Following his retirement, he taught at George Mason University and served as executive secretary of the Committee on Atlantic Studies. He also was a founder of the Conference Group on German Politics and edited books on German politics, bilingual education, minority rights, and Haiti. He was a board member of the National Capital Area Political Science Association.

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.

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.

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.

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.

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.

CORSICA: Top floor of 18th century fortified farm in small village near Ile Rousse/Calvi. Terrace overlooking sea, mountains. Sleeps four, fully furnished. Beaches, tennis, riding, climbing. \$450 per two-week period June through August, otherwise \$350. John Willett (202)647-2597 or 1321 31st St. NW, Washington, D.C. 20007

THINKING OF A VACATION HOME or other property in coastal South Carolina? Now is the time. Call or write ERA Dozier Realty, 442 Main St., North Myrtle Beach, S.C. 29582. (803)249-4043.

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.

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 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.

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.

BUSINESS OPPORTUNITIES

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

He is survived by his parents, of Zurich, Switzerland; and a daughter, Anne Claire Foster von Huene, of Albuquerque, New Mexico. Expressions of sympathy may be made to Amnesty International.

Marriage

KEITH A. EDDINS, a Foreign Service officer, and ANNE C. BRIDGMAN were married June 14 at the Newton White Mansion in Mitchellville, Maryland. Ms. Bridgman is a free-lance writer specializing in education, child development, and women's issues.

Mr. Eddins is currently special assistant to Secretary of State Shultz. His previous assignments included Santo Domingo, the Operations Center, and the Executive Secretariat.

ERIC F. GARWOOD and Alice Rose Moynihan were married on July 26, 1986, at Lake Wales, Florida.

Eric is the son of Edgar F. Garwood, Foreign Service Officer, retired and Mrs. Garwood. Alice is the daughter of Mr. and Mrs. Daniel P. Moynihan and granddaughter of the late Edward A. Dow, Sr.

and the niece of Edward A. Dow, Jr., the latter two also retired FSOs.

Announcement

The Holiday Ball sponsored by the Association of American Foreign Service Women and other related organizations will be held at the Department of State on Tuesday, December 30, from 8:30 to 11:30. The ball is for young people, from juniors in high school through the age of 22. For information and reservations please call Peggy Simons at (202) 544-8740.

EXCHANGE

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. Templar, 1021 Arlington Blvd., PH 1214, Arlington, VA 22209, Member AFSA.

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 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, SE, Washington, D.C. 20003. (202)544-5771.

VIDEO ENTERTAINMENT

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

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.

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.

GRIEVANCES

GRIEVANCE COUNSELING: Retired Senior Foreign Service officer attorney who served on Grievance Board staff will assist grievance presentation. Richard Greene, 161 Laurel Road, Princeton, NJ 08540. (609)924-3077

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, FSO-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.

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.

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.

DOMESTIC POSTINGS

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

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 ABELLE
MECHTHILD BIRZNIEKS
PATRICIA GARRISON BOORMAN
ROSEMARY DIRKS
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

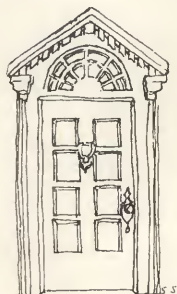
(202) 362-4480

MGMB, inc. Realtors

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

*Foreign Service

Associated firms in England and France



**Proficiency
is the key**



PARDOE

Property Management

(202) 333-6530

Mary Costello (202) 342-6170

Randi Davis (703) 356-4599

2828 Pennsylvania Ave. NW
Washington, D.C. 20007



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

HAPPY NEW YEAR

And our very best wishes
to all of you for
*Peace
Happiness
Health
Prosperity*

The latter is our specialty.
We'll be delighted to help
you buy, sell, or rent.

Call or write.



202-363-9100

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

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.



Experienced Real Estate Agent
With Well-Established Company

- Buying
- Selling
- Investing
- Refinancing
- Property Management

Please write or call Anita Murchie, Long & Foster,
6300 Richmond Highway, Alexandria, Virginia 22306
(703) 765-3160

25 years as a Foreign Service wife enable
me to understand your special needs.



Linda Wilson Hurley

Call us
with your
real estate
questions...

we have
the answers.

Linda specializes in Foreign Service relocation. A
Foreign Service wife herself for 15 years, Linda's ex-
pertise in overseas moves comes from the personal
experience of having lived in The Philippines, Zambia,
Malawi, Ghana, and Uganda. She is a member of the
Association of American Foreign Service Women.



EVERS & COMPANY
REAL ESTATE INC.

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

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 today for more information
(202) 244-1000

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



Excellent references upon request

ASSOCIATION NEWS

New regs improve per-diem system

AFSA recently negotiated an agreement with the State Department that improves the per-diem system for employees in high-cost areas.

One measure—called "lodging-plus"—provides for the full cost of accommodations plus an additional amount for food and

other expenses. For employees using the subsistence system, the cap on reimbursements has been raised by 50 percent. Last, the per-diem rate in Washington has been raised from \$75 per day to \$112.

These changes will help ensure that Foreign Service employees are not disadvantaged when they perform duties in high-cost locales, such as the sites of summit meetings, international conferences and sporting events, etc.

Toxic incident monitored closely, evacuation not necessary: State

The leak of toxic gas from a faulty drum of cleaning fluid on September 19 did not require evacuation of the State Department, management has said in a response to concerns expressed by AFSA. Employees had not been informed of the emergency. The department confirmed that three of five main building exits were blocked—one by construction, one by a demonstration, and one by emergency equipment—but said that "it would not have been the most prudent course nor was it at any time necessary to evacuate the entire building."

The situation was monitored by industrial hygienists, the fire department, and the District's

Hazardous Materials Team, the department said. Sixty people were in the areas affected. Four parts of the building were sampled for air quality, and none of the samples exceeded permissible levels. All wastes were removed by an EPA-approved contractor.

The department also said that a fire drill planned for October was postponed because of sidewalk construction around the building. It said that 16 transformers in the building contain hazardous PCBs but that efforts were being made to remove inflammable materials from their vicinity, seal the rooms containing them, and remove the chemicals by 1990.

Grievance decision should end denial of consumables increase

An AFSA victory before the Foreign Service Grievance Board should end the problem some employees have had in receiving the upgraded consumables allowance that went into effect last year. The new allowance, which took effect in July 1985, allows Foreign Service employees 2500 pounds of consumables per tour. The previous allowance was 1000 pounds.

The institutional grievance, filed against AID, will allow any agency employee who incurred consumables expenses on or after July 12, 1985, to receive the new allowance, regardless of the date of travel orders. Both State and AID had agreed at the bargaining table that the in-

crease would apply to all such employees, regardless of the date of their travel orders. Then, when AID refused to honor the implementation date, the State Department supported AFSA in the union's grievance against AID.

Even though State supported the Association's position, the department's Office of the Comptroller refused to honor the effective date pending the resolution of the grievance. "It took a long time—nine months—to resolve this issue in AID," said AFSA General Counsel Susan Z. Holik. "We will be closely monitoring the situation in State to make sure the new allowance is applied fairly there too."

Security ignores guidelines in clearances

The Office of Security has been depriving certain employees of their right of review when dismissed for cause, the Association has learned recently. AFSA is taking action to halt the practice.

The cases involve employees under investigation by the Office of Security who were stripped of their security clearances. The State Department then initiated procedures to terminate their employment because the employees could not carry out their duties without a clearance.

When the department attempts to terminate an employee for cause, it is required to establish the cause for separation at a hearing before the Foreign Service Grievance Board. State has argued, however, that the termination of the individuals in question is not reviewable because they were not removed for cause—they were terminated because they no longer had clearances, and the revocation

of clearances is not reviewable. The department's logic ignores the fact that the employees initially lost their clearances for cause.

AFSA's position is supported by the recent decision of the Federal Circuit Court of Appeals in *Egan v. Department of the Navy*. The court found that the revocation of a clearance is reviewable, arguing that federal employees must retain "the minimal opportunity to correct agency error or to be protected from specious, arbitrary, or discriminatory reasons."

Regs change benefits parents of adoptees

A new agreement reached with the State Department corrects an inequity that had discriminated against parents of adopted children. Henceforth, such parents will also be provided a 250-pound shipping allowance if they are posted to a mission where layettes are unavailable.

Korean FSA confers with AFSA



AFSA President Gerald Lamberty [left] and Director for Administration Sue B. Schumacher confer with the newly named president of the Republic of Korea's foreign service association, Suk-Heun Yun [next to Lamberty], and Washington embassy counselor Sam-Hoon Kim. The four discussed the role of a diplomatic association in promoting greater professionalism.

New Foreign Service Club serves up an international menu

Members who come by for a meal at the Foreign Service Club will be pleasantly surprised, says its new management. Daniel Wang, Kenny Hsieh, and Kevin Li, who have taken over operation of the Club, have big plans for overhauling the facility, its service, and its menu. Most of those changes should be in effect by the time you read this.

The Club's new menu will have an "international flavor," says Wang. He has hired Chef Chong, famous in his native Taiwan and more recently head chef of Washington's Hunan Dynasty, to provide the oriental part of the menu, and Chef Frank Jackson to provide continental cuisine. Together, the two will offer one of the finest dining experiences in the area.

Diners entering the facility will notice some changes immediately. The main dining room has been redecorated to give a cheerful, spring-like ambience, with a new bar, carpets, wallpaper, and other furnishings. The upstairs meeting rooms have been made into cozy gathering places befitting a club. "I want to make this a very comfortable place to dine, with a variety of foods to choose from," says Wang.

Service should be much improved. The new management team has retrained the staff to be "attentive, responsive, and agreeable," says Wang. "If you can not be in and out in an hour, you will get 15 percent off your meal."

As always, the Club will cater members' parties. "We can accommodate any kind of occasion, from weddings to dinners to business meetings. We can serve as many as 250 people for lunch or dinner, and even more for receptions."

The Club has expanded its hours as well. Lunch will run from 11:30 to 3 pm. Happy hour, with free hors d'oeuvres, will run from 3 to 7. Dinner will be served from 5:30 to 10. Wang and his crew invite members to try the facility for any meal or occasion. "This is the kind of place where you can do your official entertaining in style—or just come by for a quick lunch or drink."



Yu-Hai Jen (left) and Daniel Wang, your hosts at the new Foreign Service Club.



Letter from the President

100th Congress May Target Foreign Service

By Gerald P. Lamberty, President

As we have noted in the last two issues, the Foreign Service remains under attack on Capitol Hill. We face the possibility of massive post closings, reductions in force, and furloughs. Our allowances and benefits—for both active employees and retirees—are already under attack. Thus far, 825 of you have responded to our appeal to pump up the Legislative Action Fund, contributing \$30,000 in the first month of the drive. We are grateful to these contributors, whose names appear below.

At the same time, certain elements in Congress are proposing "cures" for the illnesses they see inflicting the Foreign Service. Those cures come in the form of several amendments:

- Eliminate the exclusion commissioned officers receive from District of Columbia income taxes, even though all other presidential appointees receive it;

- Require employees posted to the United Nations in New York to pay 20 percent of their salaries for housing, even though New York is too far away to live at home and the city is one of the most expensive real estate markets in the country; and

- Place a cap on combined

salaries and differentials, in effect penalizing employees at hardship posts.

There are eight other such amendments as well.

We at AFSA recognize that the entire federal sector must come to grips with the massive deficits we have been facing. But it is up to us to convince Congress not to follow its usual tendency of cutting foreign programs much more sharply than domestic ones.

The Governing Board and our two lobbyists have been extremely successful in protecting the Service in the past, thanks to your generosity. We have ensured that the new retirement system is an improvement on the old one, rather than a cut-back; we thwarted a midnight attempt to allow a political appointee as director general and to sever the Senior Foreign Service from the protection of our bargaining unit; and we have continually reminded the Congress of the special nature and special needs of a diplomatic career.

But the convening of the 100th Congress is likely to bring some of the biggest challenges we have faced in some time. We as citizens and taxpayers know that action must be taken to reduce

the deficit. We must ensure, however, that cuts benefit the nation and don't end up costing it more in the long run. A healthy Foreign Service is a worthwhile

investment, and your investment in the Legislative Action Fund will help achieve it.

Please send us your contribution and join your colleagues listed below (givers may request anonymity). Post your check before the end of the year and your gift will be entirely tax deductible. Please send your contribution to the address below.

LAF/AFSA
2101 E Street NW
Washington, D.C.

Contributions through October 23:

Aandahl, Frederick	Boyatt, Thomas D.	Crain, Earl T.
Abdell, George M.	Boynton, Alice F.	Crisler, T. Frank
Abdian, John V.	Brady, Leslie S.	Crockett, Kennedy
Adamek, Lottie	Branch, Opal Gamet	Crockett, Lelah E.
Adams, Ware	Brayshaw, Charles H.	Cronin, Ellen
Adamson, David	Breaux, Frances W.	Crosby, Oliver S.
Adamson, Keith E.	Breer, William T.	Cuadrado, Joseph F. III
Agniel, Lucien D.	Brennan, Patrick	Cunningham, Francis X.
Alex, Moore Jr.	Bresler, Ralph	Cunningham, James B.
Alexander, Leslie M.	Brewin, Roger C.	Cunningham, William J.
Allen, Charlotte	Briggs, David G.	Curran-Orlando, Alice T.
Allen, Lafe F.	Broderick, William D.	Curtis, Charles C.
Allison, Ellis K.	Brooks, Anne S.	Curtis, Ronald V.
Allio, Kathleen	Brooks, James F.	Cutter, Margot E.
Anania, Jay N.	Broughton, E.S.	Cyr, Mr. & Mrs. Leo J.
Anderson, Carroll D.	Brown, Madeleine M.	Czuczka, George T.
Anderson, Mark E.	Brungart, Robert R.	Danga, Karl I.
Anderson, Mary A.	Byrant, Bunyan	Darkins, William C.
Andren, Sarah L.	Bullen, Mady E.	Dasch, Richard M.
Andrew, Robert F.	Bullen, Pierce K.	Davis, Roy T.
Ankiewicz, Thomas B.	Bullock, Roberta B.	Day, Robert W.
Archibald, John L.G.	Burleigh, Albert P.	DeMacken, Baudouin
Armitage, John A.	Burton, Ralph J.	Dean, John Gunther
Arndt, Richard T.	Busser, William F.	Delaney, Peter H.
Arrington, Frank W.	Butler, John A.	Dembski, Sandra A.
Asch, Rose Marie	Byington, James G.	Deyman, Philbert
Aldins, Marshall F.	Byrd, William H.	Dickinson, Dwight
Balcock, William E.	Calderhead, William D.	Diggle, Arthur V.
Bailey, Charles H.	Caldwell, John H.	Dobrenchuk, Stephen A.
Baker, Dale H.	Caldwell, Robert W.	Dodson, Buddy King
Ballantyne, Robert J.	Calhoun, John A.	Doherty, Edward W.
Ballard, Austin J.	Calloway, Kenneth W.	Dolan, Daniel L.
Bardos, Arthur A.	Calvani, Eleanor B.	Dornheim, Arthur R.
Barkley, Richard C.	Campbell, Ivan M.	Dornheim, Arthur R.
Barnes, Henry G. Jr.	Carter, Jacob	Doyne, Mary Aloysia
Barnes, Robert F.	Carbone, Martha C.	Dress, Alice A.
Barnett, Ralph E.	Carndi, Charles A.	Drew, William J.
Barr, Alfred R.	Carson, Charles & Corintha	DuBois, Arden E.
Barrigan, D.B.	Carter, James W.	DuRette, Jean
Bastian, Walter M. Jr.	Carver, Hubert E.	Dunbar, Charles F. Jr.
Baumann, Andrea	Caswell, John D.	Dunlop, Thomas P.
Beauchamp, Mr. & Mrs. William	Cattoche, Joseph N.	Durr, Philip F.
Beaulac, Willard L.	Celkin, Judith B.	Dwyer, Richard A.
Beck, Niels C.	Certosimo, Antonio	Eagleton, William L. Jr.
Behrens, Burton H.	Chalker, Robert P.	Elmer, Paul G.
Benedick, Richard E.	Chamberlin, Davis S. III	Eisenberg, Robert
Bennett, Adolph J.	Cheek, James R.	Eibinger, Lewis K.
Bennett, David C.	Chevor, William A.	Elissabide, Pierre
Berg, F. Robert	Christenson, Richard A.	Elliott, Martha H.
Bever, James A.	Christie, Harold T.	Elting, Howard Jr.
Bevis, Jim	Chuck, Henry	Ely, Michael E.C.
Beyer, Gordon R.	Claflone, Albert J.	Epstein, Sharon
Bielak, Peter P.	Clark-Bourne, Kathryn	Erickson, Nels E.
Biggs, Helen	Clattenburg, Albert E. Jr.	Espada-Platet, Luis
Billing, Neil B.	Clausen, Dean O.	Estes, Thomas S.
Blache-Bolton, Simone	Clavette, Ann M.	Eubank, Margaret A.
Black, Robert B.	Clement, Alice W.	Everts, Stockwell
Blackburn, Robert O. Jr.	Cloud, John A. Jr.	Eyer, Heien
Blackiston, Slater C. Jr.	Cobb, Carroll E.	Fairchild, Albert
Blake, Robert O. Jr.	Cody, Florence F.W.	Fairley, E. Lee
Blake, Stephen J.	Coffey, Fred A. Jr.	Fairweather, Jane
Blankinship, Byron E.	Cohen, Harlan K.	Farrer, Guy W.
Bleider, James O.	Cohen, Herman J.	Farnsworth, Frederick E.
Bloom, Peter	Colladay, Montgomery H.	Farr, Kenneth R.
Bloomfield, Richard J.	Colling, Frank	Faulkner, William H.
Blumberg, Morrie K.	Compton, Arthur A.	Favero, Marcella Del
Bogardus, George F.	Conroy, Marian C.	Feshan, Edward J.
Bogossian, Richard W.	Cook, John G.	Ferguson, Margaret B.
Bochever, Louis C.	Cootes, Merritt N.	Fernald, James M.
Borden, Thurmond H.	Copeland, William W.	Figgins, Dan W. Jr.
Borrowdale, Eleanor R.	Corr, Edwin G.	Fischer, Richard V.
Bourque, Robert L.	Cotter, Michael W.	Fisher, Alan
	Cotterman, M. Lee	

Act provides hostage pay, benefits to terrorism victims

AFSA and the State Department have been victorious in achieving congressional passage of an additional title to the Omnibus Diplomatic Security and Antiterrorism Act of 1986 that provides benefits to Foreign Service and other government personnel who are victims of terrorism or are taken hostage. Association Congressional Liaison Officer Rick Weiss was instrumental in winning adoption of the measure by the House of Representatives and later in the conference committee.

The title gives compensation to persons who are rendered captives because of their government service. Benefits include a special savings account, medical and health care, cash payments, and educational benefits. Both the Iran hostages and several other Foreign Service employees who were captives during the same period in other countries will receive \$50 per day. After January 21, 1981, hostages will receive not less than one-half of the average per diem.

Fitzpatrick, Mark T.
 Flack, Ronald D.
 Flanagan, Robert L.
 Flora, Stephen B.
 Flynn, Kay M.
 Fote, Eleanor S.
 Ford, John W.
 Ford, William J.
 Foster, Meade T.
 Foster-Greese, Donald
 Foulger, Frank
 Fraleigh, Albert S.
 France, Theodore A. La
 Frankel, Sara A.
 Fraser, William A.
 Frederick, David W.
 Freeman, Constance J.
 Freimark, George
 Freilich, Alcy R.
 Freund, Richard B.
 Fried, Edward R.
 Fritz, Carl R.
 Fromer, Julian P.
 Fromowitz, Samuel
 Fuehrer, Allan
 Fuller, Gary Flynn
 Funello, Anthony A.
 Furtado, Gilbert O.
 Gabler, Ann-Marie
 Gadinzi, Peter S.
 Galli, Michael
 Gamber, Daniel C.
 Gannett, Michael R.
 Garcia, Daniel
 Gardella, David S.
 Garms, David J.
 Gatwood, Julia De M.
 Gaudin, Daniel
 Gavisheff, Ellen
 Geigan, F. Louise
 Gendreau, Charles A.
 Gerry, Charles M.
 Gerth, Thomas H.
 Gettler, Joseph E.
 Gewecke, Thomas H.
 Gilbert, Alvin E.
 Gillett, Janet
 Gilmartin, Sabre
 Glaser, Gerald R.
 Glazer, Seymour H.
 Gildewell, Barbara A.
 Godfrey, Richard A.
 Goetz, Louis P. III
 Goff, Edward H.
 Goldman, Richard H.
 Gorbett, Alton P.
 Gorbett, Janet M.
 Gordon, Hazel E.
 Gordon, Hebert
 Gordon, William Sr.
 Grace, Charles M.
 Grace, Judith
 Grace, Cecilia
 Graham, Nannette C.
 Grande, George J.
 Grant, Stephen H.
 Grant-Katz, Theodora M.
 Gray, Douglas A.
 Green, Charles B.
 Greengard, Freda W.
 Greenup, Leonard R.
 Griffin, Christo U.
 Grogan, Elizabeth V.
 Grossman, Lawrence M.
 Grove, Brandon H. Jr.
 Guise, Margaret L.
 Gunther, Helen K.
 Hadley, Stephen J.
 Hagamann, Charles E.
 Hagemann, John K.
 Hall, Francis S.
 Hall, Patricia L.
 Hamilton, Patricia L.
 Hankle, Jeanette Anne
 Haraldsson, Wesley C.
 Hare, Raymond A.
 Hargie, Harry R.
 Harlan, Robert H.
 Harmon, William R.
 Harrick, Phil & B.J.
 Harris, F. Allen
 Harris, Gene R.
 Hartman, Arthur A.
 Hash, Charles T.
 Hatsuano, Tom S.
 Hawley, Alyce-Fay
 Haynes, Rebecca M.
 Haaly, Theresa A.

Heiskanen, Piltti
 Held, Colbert C.
 Hellyer, George M.
 Henderson, Douglas
 Henderson, Gregory
 Harold, Richard A.
 Herrick, Lee W.
 Herrick, Margaret M.
 Hester, Donald V.
 Heyman, Barry N.
 Hicks, Reppard D.
 Hill, H. Kenneth
 Hills, Catharine M.
 Hobgood, Thomas D.
 Hoeft, Kenneth J.
 Hoffman, William
 Hogan, Michael J.
 Hobe, Marlin P.
 Holda, William J.
 Horowitz, Herbert E.
 Howatt, Edward C.
 Hurley, Catharine M.
 Hussey, William B.
 Hussman, Margaret
 Hyland, Jason
 Ingraham, Edward C. Jr.
 Irvin, Thomas C.
 Irving, Richard F.
 Isom, Harriet W.
 Isaacs, Arnold M.
 Ivers, Thomas C.
 Jacobs, J. Roland
 Jacobson, Jerome J.
 Jaeger, George W.
 Jenkins, Jo Ann McMahon
 Jenkins, Walter E. Jr.
 Jensen, Olive M.
 Jesspersen, George G.
 Johns, John S.
 Johnson, Charles K.
 Johnson, Ira J. Jr.
 Johnson, Lynne
 Johnson, Robert R.
 Johnson, Robert S.
 Johnson, Stephanie E.
 Johnson, U. Alexis
 Johnson, Valdemar N.L.
 Johnston, T. David
 Jones, George F.
 Jones, Gerald G.
 Jones, J. Jefferson III
 Jones, J. Wesley
 Jordan, Michael
 Joseph, Thomas E.
 Joyce, Edward J.
 Kalsar, Herbert
 Kamprad, Walter T.
 Kaska, Edward W.
 Kaukonen, Jorma L.
 Kautsky, Richard A.
 Kazanlian, Reginald S.
 Keith, John H.
 Keane, Darold W.
 Keat, Stephen K.
 Keeley, Robert V.
 Kelley, Margaret Ruth
 Kelly, William M.
 Kennedy, Mary Virginia
 Kennedy, Moorhead C. Jr.
 Kessler, Earl A.
 Key, David M.
 Kibble, Stepey C.
 King, Richard F.
 King, Spencer M.
 Kingsland, Allen R.
 Kirby, Alice L.
 Kirk, Barbara N. Jr.
 Klappert, Herman E.
 Klaus, Stephen A.
 Kies, Herbert Jr.
 Kilgamaun, Susan M.
 Kiudt, Ramona Q.
 Koenig, Albert
 Kohler, Foy D.
 Koff, Kenneth
 Kofel, Barbara J.
 Krause, Alan
 Kreuser, Edward
 Krieg, William L.
 Krohn, Henry C.
 Kurz, Peter O.
 Kurze, Kenneth A.
 LaManna, Mary A.
 LaSelle, Mason A.
 Lark, Knox
 Lange, Peter W.
 Lange, Howard H.
 Leatherman, F.D.

Lee, Guy A.
 Lemmon, Michael C.
 Lenderking, William R. Jr.
 Leonard, Emily C.
 Levin, Ronald D.
 Levy, Howard S.
 Levy, Ira H.
 Lewis, Ralph
 Lewis, Theodore L.
 Lichtenwald, Daniel H.
 Linch, E. Russell
 Lindstrom, Herman
 Linton, E. Mark
 Litsey, Weldon
 Little, Evert
 Lobenstein, James C.
 Locke, Robert H.
 Loftus, Gerald J.
 Long, Guy O.
 Longo, D. Thomas Jr.
 Lorenz, Joseph P.
 Lotberg, Roman L.
 Lova, Marie M.
 Lowenthal, William
 Lowman, Shepard C.
 Lukso, Margaret A.
 Lukins, La Rue R.
 Lyon, Cecil B.
 MacFarlane, Lewis R.
 MacKnight, Jesse M.
 MacFarland, James M.
 Mack, David L.
 Madill, Edwin J.
 Maekle, Frederick W.
 Mahoney, Haynes R.
 Mahoney, Michael M.
 Mahoney, Thomas E.
 Palmer, David J.S.
 Manchester, Mary F.
 Manfull, Byron P.
 Mann, Andrew C.
 Marburg, Jean H.
 Martens, Robert J.
 Martin, Thomas H.
 Matthias, Charles D.
 Mattisey, Gordon H.
 Maula, Robert B.
 Maynard, Leonard
 Maysa, John
 McAuliffe, Eugene V.
 McBride, Joseph N.
 McCaba, James O.
 McCaslin, John M. III
 McClure, Richard C.
 McCollaugh, Robert E.
 McCormick, Richard E.
 McConvey, Sandy J.
 McCullough, Dundas Craig
 McCullough, Max
 McCumber, Patricia E.
 McDonald, Mary R.
 McEad, Martha C.
 McGraw, Mary D.
 McHale, James D.
 McKiernan, Thomas D.
 McKinney, William D.
 McMullen, Robert B.
 McNamara, Francis T.
 McRae, Martha C.
 McSweeney, Lois
 Maeks, William A.
 Mekeal, Arthur J.
 Melaven, Emerson J.
 Melby, Everett K.
 Memier, William H.
 Metcalf, Nancy F.
 Metcalf, Thomas N. Jr.
 Metzner, Clifton G.
 Meyer, Armin H.
 Midkiff, Harold M.
 Miklus, Helen
 Miller, Ardith H.
 Miller, Margaret J.
 Milroy, Nicholas R.
 Monk, Amy
 Moore, Eugene W.
 Moore, Robert W.
 Moreno, Ofelia C. De
 Morgan, George A.
 Morgan, Raecol
 Morin, Laurent E.
 Morris, Brewster
 Morris, Robert J.
 Morton, Beverly C. Jr.
 Mosher, Robert A.
 Mousky, Stafford K.
 Murphy, Emmett J.
 Murphy, Robert

Murray, Mary F.
 Musser, Ruth C.
 Myers, Noel T.
 Nach, James
 Naether, Willis E.
 Nanny, Matilda Cowles
 Navez, Andre J.
 Neher, Leonard
 Nelson, David R.
 Nelson, Harvey F. Jr.
 Neverman, Florence L.
 Newman, Nancy J.
 Newton, George P.
 Nial, Loretta M.
 Nilsestuen, Wayne R.
 Nishihara, Richard
 Noon, John A.
 Norquist, Arlene A.
 North, William H.
 Norton, Harold L.
 Norton, Kenneth L.
 Norwood, Bernard
 O'Hara, Harry J.
 O'Sullivan, James L.
 Ogunda, Alim E.
 Okami, Kyonoa
 Olinger, David S.
 Oliver, John G.
 Olson, Cinton L.
 Olson, William C.
 Otis, Sarah K.
 Otis, Terrell R.
 Owen, Robert I.
 Owen, William M.
 Oxford, Helen M.
 Padgett, Charles B.
 Paganelli, Robert P.
 Palmer, Joseph II
 Palmer, Margery
 Panos, John G.
 Paolozzi, Gabriel J.
 Papendorp, J. Theodore
 Pappano, Albert E.
 Paquette, Dorothy M.
 Paradis, Douglas E.
 Park, Deborah P.
 Parke, Robert B.
 Parsons, J. Graham
 Parsons, Marsells C. Jr.
 Pate, Lewis W.
 Patterson, John A.
 Paul, William E.
 Pazourek, John
 Peck, Edward L.
 Pelland, Alfred J.
 Pellowski, Mildred
 Pettier, Alec M.
 Pettier, Richard J.
 Pendleton, Miles S. Jr.
 Penner, Vernon D. Jr.
 Perez, Beatrice
 Peria, Rudolf W.
 Perkins, Raymond L.
 Pernick, Irwin
 Peters, Richard B.
 Peterson, Hilding A.
 Peyton, Betty A.
 Phelps, William W.
 Phillips, Stanley
 Plepenz, Lyle R.
 Pinder, Jean
 Pinkham, Shirlee C.
 Pitts, Henry L. Jr.
 Ploch, Edward J.
 Polansky, Sol
 Polik, Lorraine W.
 Prieto, Dorothy P.
 Pons, Robert W.
 Popper, David H.
 Poppla, Paul M.
 Porter, Leonard J.
 Powell, Christopher J.
 Pracht, Raymond W.T.
 Price, C. Hoyt
 Price, Elizabeth S.
 Prieto, Dorothy P.
 Prince, Dorothy E.
 Proctor, Franklin W.
 Propps, Herbert F.
 Prosser, James F.
 Provancher, Roger A.
 Putman, Diana B.
 Quast, Necia
 Quenneville, Beatrice C.
 Rainey, Harold F.
 Raine, Philip
 Rankin, Edward J.
 Rather, Herbert

Rau, William E.
 Raymer, Robert T.
 Reddington, John P.
 Reed, Summar C.
 Rentaria, Herminia
 Replodge, Mary F.
 Rhodes, William W.
 Ribble, Ralph J.
 Rich, Jeraldynne M.
 Richards, Lois
 Richardson, Cecil S.
 Richardson, Robert B.
 Richmond, Yael W.
 Riley, Russell L.
 Roberts, Emory G.
 Roberts, Peter
 Robertson, Charles III
 Robertson, Douglas D.
 Robinson, Brandon
 Robinson, John P.
 Robinson, June M.
 Robinson, Lawrence K.
 Rockwell, Stuart W.
 Rodriguez, Ruben
 Roesch, Thomas J.
 Rogers, Gladys P.
 Rooney, Matthew M.
 Roen, Gerald A.
 Rosenberg, Richard
 Rosenthal, James D.
 Rosinus, Gunther K.
 Roule, Norman T.
 Rowberg, Brynhild
 Rubin, Eric S.
 Rubottom, R.R. Jr.
 Rushing, Charles E.
 Russell, John C.
 Russell, Victor D.
 Ryan, Robert J. Sr.
 Sabatini, Henry J.
 Selah, Muhammad M.
 Sales, Pierre L.
 Sandate, Celio F.
 Sanderhoff, Lubert O.
 Sanford, Cecil L. Jr.
 Sanphy, Elizabeth F.
 Sayre, Abbott P.
 Schadler, John Allen
 Schatz, Gary D.
 Schloss, Donna L.
 Schmeek, Peter G.
 Schmidt, D. Lewis
 Schouten, Patricia D.
 Schroeder, Frank M.
 Scott, David
 Scott, Harry V.
 Seay, Edmond E. III
 Sedgwick, Cabot
 Seelye, Talcott W.
 Selbold, Robert H.
 Semmerling, Helen
 Service, John S.
 Service, Robert E.
 Shaw, Oliver C.
 Sheinbaum, Gilbert H.
 Sheldon, Norman L.
 Sheridan, Ann
 Shostal, Pierre
 Silver, Charles N.
 Silver, Neil E.
 Simcox, David E.
 Simmons, Roger J.
 Skofield, Herman T.
 Skora, George W.
 Slattery, John B.
 Sike, George C.
 Smith, Donald W.
 Smith, Donnell D.
 Smith, Elaine D.
 Smith, Sandra R.
 Smucker, Silas J.
 Snider, Richard
 Sober, Sidney
 Sohng, Earl D.
 Spahr, Donald S.
 Spittle, David L.
 Spivack, Herbert D.
 Spruce, William E.
 Stadard, Donald E. Jr.
 Stahlman, John W.
 Stahnke, Paul K.
 Stanton, Karen C.
 Stantur, Margaret A.
 Steves, John M.
 Steiner, Gerald J.
 Stephens, Bart N.
 Stern, Thomas
 Steward, Altair B.

Stoessel, Walter J. Jr.
 Stone, Galen L.
 Stone, Wyman R.
 Strachan, Robert K.
 Strasser, Daniel A.
 Straus, Ulrich A.
 Strong, H. Peters
 Sundermann, Alejandro
 Sutherland, Peter A.
 Swain, Lawrence L.
 Swidarski, Fred J.
 Sylvester, John Jr.
 Tamlyn, Lucy
 Tannenbaum, Jane J.
 Taylor, Carl
 Taylor, Philip B.
 Taylor, T. Elkins
 Tell, Kurt H.
 Telford, Kay
 Terzuolo, Eric R.
 Tracher, Nicholas G.
 Thomas, Francis H.
 Thomas, Herbert S. III
 Thomsen, Lavorne L.
 Thomsen, David R.
 Timms, Jimmy P.
 Torrance, Ruth J.
 Toussaint, Paul A.
 Tracy, Thomas M.
 Traulsen, Grace
 Trueworthy, Orson W.
 Tyler, William R.
 Usher, Richard E.
 Vazquez, Alberto M.
 Vickers, Harold E.
 Von Stroebe, James-Michael
 Vassell, Harold N.
 Welcott, Millicent E.
 Walker, A.C.
 Walker, Herman
 Walker, Howard L. Jr.
 Walker, Julius W. Jr.
 Wallace, Stephen F.
 Waller, Mabel B.
 Walters, Frank J.
 Ward, Alice R.
 Ward, James T.
 Warner, Gerald
 Watson, James O.
 Webb, Eugene R.
 Wehmeyer, Donald A.
 Weintraub, Dorothy E.
 Weil, T. Elci
 Weir, Herbert E.
 Weinland, Helen
 Weintraub, Sidney
 Weislogel, Winifrad S.
 Weiss, Leonard
 Welch, Julia
 Wellborn, Alfred T.
 Wellons, Alfred E.
 Wenth, John P.
 Wesloski, Elizabeth J.
 Westbrook, Alice D.
 Westerdale, Neil R.
 Wetherbee, Donald A.
 Wharton, D. Bruce
 White, Lewis M.
 White, William T. Jr.
 White, John W.
 Wilenz, Eric
 Williams, Mary Jane
 Williams, Michele R.
 Wilson, Harriet
 Wilson, Jackson W.
 Wilson, Ross Lee
 Wirth, Harry P.
 Wirtz, Anthony H.
 Wohlgenuth, Olga J.
 Wolff, Hugh W.
 Wolff, Warren
 Wollemborg, Leo R.
 Wonder, Charles W.
 Wood, Chalmers B.
 Wood, Robert C.
 Woodruff, Neil
 Woolf, Donald L.
 Wren, William J.
 Wright, Thomas K.
 Wyman, Parker D.
 Yager, Joseph A.
 Yenichius, Mildred M.
 Yost, Robert J.
 Yule, John J.
 Yule, Elia Mai
 Zenger, C. Richard
 Zeltow, Marlene G.
 Zimmerman, Robert E.

AFSA seeks remedy for tax inequities

The Association has taken action in a number of states recently to remedy tax law inequities affecting Foreign Service retirees. Four states tax Foreign Service annuities while exempting the Civil Service. They are Alabama, Iowa, Kansas, and North Dakota.

AFSA has written to key officials in each of these states to draw their attention to this statutory inequity and urge them to seek a legislative remedy. Considerable progress has already been made in Alabama, where corrective legislation has been introduced in both the House and the Senate. AFSA hopes to achieve similar results in the other states through lobbying and letter-writing campaigns.

In four other states—Idaho, Indiana, New Mexico, and Oklahoma—the tax laws are ambiguous with regard to Foreign Service retirees. These states do not tax Civil Service annuities, and they are not specific in defining Civil Service retirees.

AFSA has written to each to see whether their definition of Civil Service includes all non-military federal employees.

New Mexico has responded that Foreign Service retirees are included under the provisions exempting Civil Service annuities. Hopefully, the response from the remaining states will be equally positive. If not, AFSA will do all it can to change the language of the existing laws.

Blanchard named to ed committee

Philip Blanchard has been named a member of the AFSA Committee on Education to represent the State Department, Chairman Claude G. Ross has announced. He replaces James Prosser, who was transferred to Rome.

Blanchard is an information programs officer in the Office of Communications, where he serves as a spokesman. He has served in Cairo, Bonn, Kuwait, Kinshasa, Manila, Paris, and La Paz.

Retired members can benefit from new resume referral service

A clearinghouse for retired AFSA members who wish to have their resumes reviewed by consulting companies for possible inclusion in proposals to federal agencies has been instituted by the Governing Board. The Association had frequently been approached by such companies in the past, and this resume referral service will allow them a formal conduit to the retired membership.

"AFSA members and the companies involved have benefited from these channels of communication on a limited level," said AFSA Director for Administration Sue B. Schumacher. "We now intend to open it up on a larger scale—reaching more people and involving more companies. We're using a more extensive networking system to bring both parties together so they may work together for their mutual benefit."

Those retired members interested in using the service are asked to send a current resume to AFSA at 2101 E Street NW, Washington, D.C., 20037. Attn:

Resume Referral Clearinghouse, indicating which of the following options is preferable:

- AFSA will inform you when it has forwarded your resume to a consulting company;

- AFSA will inform you of a company's request and, with your approval, forward your resume;

- AFSA will inform you of a company's request and provide you with an individual's name so that you may contact the company directly; or

- AFSA will provide the company with your name, address, and telephone number so that the company may contact you directly.

In all cases, negotiations regarding the requirements of the position and fee are between the retired member and the company.

"The expertise inherent in those within the international diplomatic community is a resource that has been largely untapped," said Schumacher. "AFSA intends to start making more effective use of it."

Life & Love in the Foreign Service



"I don't care which of you takes me out to dinner, but I want to see your security clearances."
Arty Freda, Hyattsville

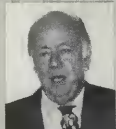
Winners of the monthly LIFE & LOVE contest receive a certificate for a free lunch for two at the Foreign Service Club. Honorable mentions receive a certificate for a free carafe of wine with a meal.

Mail your entries to:

LIFE & LOVE #35
2101 E Street NW
Washington, D.C. 20037

Competition #35





Legislative Alert

99th Congress Leaves Town

By Robert Beers, *Legislative Liaison*

The 99th Congress, winding up its final session in a frantic flurry of activity, left Washington on October 18, two weeks past its target adjournment date, to return home and get down to the serious business of campaigning for the November elections. In its wake are a number of new legislative initiatives—some favorable and some not so favorable—that directly affect both active and retired members of the Foreign Service.

Finally, the not-so-good news: The tax reform legislation that was signed into law in October eliminated the so-called three-year recovery rule, effective July 1, 1986. This was the rule that enabled federal retirees to recover their after-tax contributions to the retirement trust fund as annuity payments during the initial period of their retirement. Under this rule most federal retirees could look forward to 12 to 18 months of tax-free income before their annuity payments became fully taxable. The rescission of the three-year recovery rule changed this. Now, at the time of retirement, the life expectancy of the retiree is to be determined from actuarial tables (in preparation at the time of this writing), and the tax exempt portion of the annuity will be calculated accordingly. Example: a retiree with a 20-year life expectancy could deduct five percent of the total amount of his or her retirement contributions from taxable income each year during retirement.

This change was vigorously opposed by AFSA, working in cooperation with a coalition of other federal employee and retiree organizations. Especially objectionable was the retroactivity of the change. Even before the 99th Congress adjourned, several members introduced bills that would either restore the three-year recovery rule or move the effective date forward. While there was no time for Congress to act on any of these measures before adjournment, AFSA is ac-

tively participating in laying the groundwork for the introduction of appropriate remedial legislation soon after the convening of the new 100th Congress in January. Meanwhile, the possibility of a court challenge is also under review.

Finally, another provision in the tax reform act is directed against Civil Service employees retiring after last June 6 and Foreign Service employees retiring after December 31, 1986. While this does not represent the withdrawal of a current benefit, it does represent, in effect, the denial of a benefit provided for in legislation enacted last spring. The new Federal Employees Retirement System Act signed into law June 6 included language that permitted retiring federal employees to withdraw their contributions to the retirement trust fund as a tax-free lump sum, with a consequent reduction of 8 percent to 10 percent in the level of their annuity. The idea was that this lump sum payment could be rolled over into an IRA or another outside annuity, thereby avoiding the impact of the possible rescission of the three-year recovery rule.

■ The most significant legislative achievement in the federal personnel area has to be the enactment of the Federal Employees Retirement System Act, including a Title IV that establishes a parallel Foreign Service Pension System. Coverage under this new retirement system is mandatory for all federal employees joining the federal service after 1983, while transfer to the new system is optional for all others. The new system consists of three tiers: Social Security, a supplemental pension plan, and a capital accumulation plan. The detailed provisions of the new Foreign Service system have been spelled out previously in this space, so at this time we simply remind those pre-1984 employees interested in considering a switch over to the new system

that the department is setting up a counseling procedure to provide all employees requesting it a computation comparing his or her estimated retirement income under each system. While the new system goes into mandatory effect for post-1983 employees on January 1, 1987, other employees may elect to transfer to the new system anytime between next July 1 and December 31. Also, because of delays in establishing the supervisory mechanism to oversee the operation of the thrift plan (the third tier in the new system), the thrift plan probably will not become operative until April;

■ For actively employed members of the Foreign Service there is a three percent pay raise, effective in January; and

■ For Foreign Service retirees there is a cost-of-living adjustment scheduled to become effective December 1, 1986, to be reflected in annuity checks issued January 1. The rise over the past year in the Consumer Price Index totaled 1.3 percent, the smallest increase in some time. Of greater significance, however, is the fact that once again the COLA linkage between all federal government retirement programs—Foreign Ser-

vice, Civil Service, Social Security, veterans, and others—has been re-established and that COLAs have been exempted from automatic cancellation under the provisions of the Gramm-Rudman-Hollings Deficit Reduction Act through the year 1991, when the act is scheduled to expire.

Subsequently, however, the enactment of the tax reform bill seriously undermined the attractiveness of this option by: providing that the full lump sum withdrawal must be included as a part of adjusted gross income in the year in which the withdrawal was made; requiring that income tax be paid on this full amount, minus a pro-rata deduction calculated on the basis of the life expectancy of the retiree, which would continue for the duration of the annuity; and specifying that anyone retiring before age 59½ would pay an additional 10 percent excise tax on the lump sum withdrawal.

Meanwhile we look forward to the New Year, a new Congress, and hopefully a new opportunity to rectify the inequity of the retroactive withdrawal of a retirement tax benefit, imposed upon federal retirees in the name of tax reform.

AFSA hosts annuity-tax protest



AFSA President Gerald Lamberty (left) and Congressional Liaison Officer Robert Beers (second from left) take issue with a provision in the tax-reform bill under consideration last September that would eliminate the three-year recovery provision that allows retirees to recoup tax free their already-taxed contributions to their pensions. At the event, sponsored by Congress's Federal Government Services Tax Force and held at the Foreign Service Club, Lamberty and Beers objected in particular to the retroactive implementation of the provision.

INDEX—VOLUME 62—1986

"ACDA's Impact." (25th Anniversary comments by past directors.)	September	JOURNAL. "An Indian Initiation," by Albert Cizauskas.	April
Adams, Alvin P. "On the Road with Ryder."	December	JOURNAL. "Intrigue in Abyssinia," by Chris Prouty.	September
"Advancing U.S. Interests with Foreign Assistance" (An interview with M. Peter McPherson)	December	JOURNAL. "The Million Dollar Business," by Fred Godsey	October
AID. "Advancing U.S. Interests with Foreign Assistance" (An interview with M. Peter McPherson)	December	JOURNAL. "Past Imperfect," by Lisenpard Green	December
AID. "Comparative AIDVantage," by Jennifer Bremer.	July/August	JOURNAL. "Retirement Day," by Fred Godsey.	June
AMBASSADORIAL APPOINTMENTS. "A Difficult Matter," by Andrew Steigman.	April	JOURNAL. "The Shaman of Silicon," by Steven Halter.	January
"An Act of Suicide," by Gerald P. Lamberly.	February	JOURNAL. "The Wager," by Lucille Klontz.	July/August
"An Indian Initiation," by Albert Cizauskas.	April	Klontz, Lucille. "The Wager."	July/August
ARMS CONTROL. "ACDA's Impact."	September	Knutson, Lawrence Lauder. "Chairman on the Run."	January
Arthur, Bill. "One of a Kind"	July/August	Lamberly, Gerald P. "An Act of Suicide."	February
"Austria's Diplomats," by Benson L. Grayson.	March	Lattu, Onnie. "Guests of the Gestapo."	May
Austrian, Sheila and Prosser, James. "Ten Years of Scholars."	June	"Leaders & Experts," by John Maresca.	March
"A Better Budget Recipe," by Harry J. Shaw	July/August	"Life & Love." (Compendium of humorous captions.)	April
BOHLEN, CHARLES. "The Ghost of Yalta," by H.W. Brands Jr.	April	LUGAR, RICHARD. "Chairman on the Run," by Lawrence Lauder Knutson.	January
Brands, H.W. Jr. "The Ghost of Yalta."	April	Maresca, John. "Leaders & Experts."	March
Bremer, Jennifer. "Comparative AIDVantage."	July/August	"The Marshall Plan," by Marshall Green.	February
Brumley, Brian. "Deputy Secretary Whitehead."	July/August	Marton, Endre. "Why Does the West Still Sleep?"	October
BUDGET. "Hard Sailing for Ship of State." (An interview with Willard DePree.)	November	McDiarmid, Alice M. "Consults out of Contact."	March
BUDGETS. "A Better Budget Recipe," by Harry J. Shaw	July/August	McPHERSON, M. PETER (Interview.) Advancing U.S. Interests with Foreign Assistance	December
Burwell, Frances G. "Mid-Course Corrections."	May	Michaud, Michael A.G. "Talking to Mr. Syplogoo."	September
Burwell, Frances G. "Questionnaire Results: Careers"	September	"Mid-Course Corrections," by Frances G. Burwell.	May
Burwell, Frances G. "Questionnaire Results: Spouse Employment."	January	"The Million Dollar Business," by Fred Godsey	October
"The Capitol Connection," by Edward Derwinski.	September	MULTILATERAL DIPLOMACY. "A Case of Consensus," by Gray Handley.	February
CAREERS. "Questionnaire Results: Careers," by Frances G. Burwell	September	NAIROBI WOMEN'S CONFERENCE. "A Case of Consensus," by Gray Handley.	February
"A Case of Consensus," by Gray Handley.	February	Newman, Marlen E. "Distractions" (poetry).	March
"Chairman on the Run," by Lawrence Lauder Knutson.	January	Newsom, David D. "Counterpoint: Leaders & Experts."	June
Cizauskas, Albert. "An Indian Initiation."	April	"The Next Nuclear Power?," by Harold Freeman	December
"Comparative AIDVantage," by Jennifer Bremer.	July/August	"Not a Fortress," by Thomas Vonier.	June
CONGRESS. "Chairman on the Run," by Lawrence Lauder Knutson.	September	NUCLEAR ARMS. "The Next Nuclear Power?," by Harold Freeman	December
CONGRESS. "The Capitol Connection," by Edward Derwinski.	March	"On the Road with Ryder," by Alvin P. Adams	December
"Consults out of Contact," by Alice M. McDiarmid.	October	"One of a Kind," by Bill Arthur	July/August
"Counterpoint: Leaders & Experts," by Leon Poullada	June	OTHER FOREIGN SERVICES. "Austria's Diplomats," by Benson L. Grayson.	March
"Counterpoint: Leaders & Experts," by David D. Newsom.	November	OTHER FOREIGN SERVICES. "The German Foreign Service," by Charles Foster.	November
DEPREE, WILLARD. (Interview.) "Hard Sailing for Ship of State."	July/August	PAKISTAN. "The Next Nuclear Power?," by Harold Freeman	December
Derwinski, Edward. "The Capitol Connection."	September	"Past Imperfect," by Lisenpard Green	December
DEVELOPMENT. "The Universalist Myth," by David I. Steinberg.	June	Perez, Frank H. "Window of Opportunity."	March
DICTATORS. "Plunderers & Pilferers," by George Gedda	October	PERSONNEL. "Talking to Mr. Syplogoo," by Michael A.G. Michaud	September
"A Difficult Matter," by Andrew Steigman.	April	Piet-Pilon. "Reentry for Teens."	June
"Diplomacy on Trial," by Dave Simcox.	November	"Plotting FSI's Course." (Interview with Stephen Low.)	May
"Diplomatic Retreat," by William Sommers.	May	"Plunderers & Pilferers," by George Gedda	October
"Distractions," poetry by Marlen E. Nuemann	March	POETRY. "Distractions," poetry by Marlen E. Nuemann	March
"Dosedvanya, Mr. Piggy," by Marjorie Smith.	February	Poullada, Leon. "Counterpoint: Leaders & Experts"	October
"Embassies for Sale," by Hedley Addison Wooltham III (psued.)	April	Price, Hoyt. "A Trading Partnership."	March
FIRE SAFETY. "Foggy Bottom Smokescreen," by Sanford Watzman.	January	PRIVATE SECTOR. "On the Road with Ryder," Alvin P. Adams	December
"Five Years After the Act." Discussion with William Bacchus and Thomas Boyatt.	February	PROFESSIONALISM. "Counterpoint: Leaders & Experts," by David D. Newsom.	June
"Foggy Bottom Smokescreen," by Sanford Watzman.	January	PROFESSIONALISM. "Counterpoint: Leaders & Experts," by Leon Poullada	October
FOREIGN MISSIONS OFFICE. "Diplomatic Retreat," by William Sommers.	May	PROFESSIONALISM. "Galbraith vs. Eagleburger." Transcript of TV appearance.	January
FOREIGN SERVICE ACT. "An Act of Suicide," by Gerald P. Lamberly.	February	PROFESSIONALISM. "Leaders & Experts," by John Maresca.	March
FOREIGN SERVICE ACT. "Five Years After the Act." Discussion with William Bacchus and Thomas Boyatt.	February	Prosser, James and Austrian, Sheila. "Ten Years of Scholars."	June
FOREIGN SERVICE INSTITUTE. "Mid-Course Corrections," by Frances G. Burwell.	May	Prouty, Chris. "Intrigue in Abyssinia."	September
FOREIGN SERVICE INSTITUTE. "Plotting PSI's Course." (Interview with Stephen Low.)	November	"Questionnaire Results: Careers," by Frances G. Burwell	September
Foster, Charles. "The German Foreign Service."	December	"Questionnaire Results: Spouse Employment," by Frances G. Burwell.	January
Freeman, Harold. "The Next Nuclear Power?"	November	"Reentry for Teens," by Nancy J. Piet-Pilon.	June
"Fulbright at Fort," by Michael G. Stevens and Ronald A. Ungaro	July/August	"Retirement Day," by Fred Godsey.	June
FUNDERBURK, DAVID. "One of a Kind," by Bill Arthur	January	SCHOLARSHIPS. "Ten Years of Scholars," by James Prosser & Sheila Austrian.	June
"Galbraith vs. Eagleburger." Transcript of TV appearance.	October	SECURITY. "Not a Fortress," by Thomas Vonier.	June
Gedda, George. "Plunderers & Pilferers."	November	"The Shaman of Silicon," by Steven Halter.	January
"The German Foreign Service," by Charles Foster.	April	Shaw, Harry J. "A Better Budget Recipe."	July/August
"The Ghost of Yalta," by H.W. Brands Jr.	June	Simcox, Dave. "Diplomacy on Trial."	November
Godsey, Fred. "Retirement Day."	October	Smith, Marjorie. "Dosedvanya, Mr. Piggy."	February
Godsey, Fred. "The Million Dollar Business."	March	Sommers, William. "Diplomatic Retreat."	May
Grayson, Benson. "Austria's Diplomats."	February	SPOUSES. "Questionnaire Results: Spouse Employment," by Frances G. Burwell.	January
Green, Lisenpard. "Past Imperfect."	May	Steigman, Andrew. "A Difficult Matter."	April
Green, Marshall. "The Marshall Plan."	January	Steinberg, David I. "The Universalist Myth."	June
"Guests of the Gestapo," by Onnie P. Lattu.	February	Stevens, Michael G. and Ungaro, Ronald A. "Fulbright at Fort."	November
Halter, Steven. "The Shaman of Silicon."	November	STRATEGIC DEFENSE INITIATIVE. "Window of Opportunity," by Frank H. Perez.	March
Handley, Gray. "A Case of Consensus."	April	TEENS. "Reentry for Teens," by Nancy J. Piet-Pilon.	June
"Hard Sailing for Ship of State." (An interview with Willard DePree.)	June	"Ten Years of Scholars," by James Prosser & Sheila Austrian.	June
HUMOR. "Embassies for Sale," by Hedley Addison Wooltham III (psued.)	December	TERRORISM. "Not a Fortress," by Thomas Vonier.	June
HUMOR. "Life & Love." (Compendium of humorous captions.)	February	"Talking to Mr. Syplogoo," by Michael A.G. Michaud	September
HUMOR. "The Marshall Plan," by Marshall Green.	May	TRADE. "A Trading Partnership," by Hoyt Price.	March
HUNGARY. "Why Does the West Still Sleep?" by Endre Merton	January	"A Trading Partnership," by Hoyt Price.	March
"Intrigue in Abyssinia," by Chris Prouty.	February	Ungaro, Ronald A. and Stevens, Michael G. "Fulbright at Fort."	November
JOURNAL. "Consults out of Contact," by Alice M. McDiarmid.	November	"The Universalist Myth," by David I. Steinberg.	June
JOURNAL. "Diplomacy on Trial," by Dave Simcox.	April	Vonier, Thomas. "Not a Fortress."	June
JOURNAL. "Dosedvanya, Mr. Piggy," by Marjorie Smith.	April	"The Wager," by Lucille Klontz.	July/August
JOURNAL. "Guests of the Gestapo," by Onnie P. Lattu.	October	Watzman, Sanford. "Foggy Bottom Smokescreen."	January
	September	WHITEHEAD, JOHN C. "Deputy Secretary Whitehead," by Brian Brumley	July/August
	March	"Why Does the West Still Sleep?" by Endre Merton	October
	November	"Window of Opportunity," by Frank H. Perez.	March
	February	Wooltham, Hedley Addison III (psued.). "Embassies for Sale."	April
	May		

THE AMERICAN BOUNTY COLLECTION



★ Uncle Sam's Snack Sack



★ America Preserve Us



★ America the Bountiful



★ Star Spangled Sweets

American Bounty presents a collection of Star Spangled treats just in time for the holidays. Eight distinctive gifts in hand-crafted Vermont baskets and specially designed totes provide a taste of America as authentic as the Fourth of July. Whether your gift



list goes from sea to shining sea or just around the corner, let American Bounty send best wishes proudly labeled "Product of America." Call 1-800-342-5322 (in Pennsylvania 1-800-322-5463) for information, our free catalog, or "rush" shipment information.

Mail To: American Bounty Corporation, Department 9029, Ronks, PA 17573

☐ American Express ☐ MasterCard ☐ Visa

Name _____

Credit Card # _____ Exp. Date _____

Address _____ State _____ Zip _____

Ship To _____

Address _____ State _____ Zip _____

America the Bountiful, \$95	_____ Baskets
Uncle Sam's Snack Sack, \$28	_____ Totes
America Preserve Us, \$60	_____ Baskets
Star Spangled Sweets, \$39	_____ Baskets

Attach additional "Ship To" addresses on plain white paper. Minimum order \$250. Add \$5.50 for each "Ship To" address. Order before Dec. 5 to assure delivery before Christmas.

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.