

FOREIGN SERVICE

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AFSA VIEWS

An Agenda for the 102nd Congress

For all its previous fecklessness, the 101st Congress departed in volcanic style. The week-long eruption that ended early on October 28 has left cooling lava all over the legislative landscape, much of it affecting the Foreign Service. Items:

- a deficit reduction package that will help somewhat to restore international confidence in the U.S. government, but will squeeze the foreign affairs agencies' operating budgets severely.
- a new immigration law that triples visa opportunities for skilled aliens, and does away with most ideological grounds for visa ineligibility.
- a clean air bill that will improve the tarnished U.S. image in international environmental negotiations.
- a federal pay bill that at least recognizes an obligation to raise salaries to the private sector level, albeit far too slowly.
- provisions to begin paying fully our debts to international organizations.
- provisions for substantial reductions in agricultural support payments—an example for the Europeans and others to follow in the current critical last phase of Uruguay Round trade talks.

The outcome may be imperfect, but it's far more elegant than the way it was achieved. If we can write a different script for the next Congress, our newly elected legislators will lead public opinion instead of being forced into last-minute acts of grace by an outraged public. Some statesmen in Congress will acknowledge that the tax forms of individual constituents are not the only determinants in American politics, and that major foreign affairs matters also affect our destinies. Our international interests will be addressed specifically and given equal status with domestic ones while legislation is being drafted. Instead of arguing about what we can afford for foreign affairs and then doling it out like prisoner-of-war rations, our legislators will decide what we need and then find ways to finance it.

So much for utopia. Even without it, 1991 will be an important year for both the authorization and appropriations processes. The House Foreign Affairs Committee and the Senate Foreign Relations Committee will prepare authorization bills covering 1992 and 1993 for the conduct of diplomacy (State and USIA) and foreign operations (AID). These bills will serve as guidelines for the appropriations subcommittees of the House and Senate, who will allocate specific amounts for 1992 for ongoing activities and for any new ones identified by the authorizers.

Naturally, AFSA's agenda will incorporate a primary effort to assure adequate funds for the essential business of the foreign affairs agencies. We will once again bring to the attention of legislators and staff alike the need for new posts in Eastern Europe (and now possibly also in the USSR) to promote trade and consolidate democracy. Nor should new posts require sacrifices of existing ones. Congress has always been sympathetic to keeping posts open, but funds as well as sympathy are essential if our managers are to maintain and improve America's foreign representation.

The authorization bills will also serve as vehicles for amendments to the Foreign Service Act and other relevant legislation, whether or not the amendments have financial implications. In this regard, we have in mind amendments to Foreign Service legislation that would restore the department's pre-1988 obligations for employee medical costs abroad; repeal 1988 provisions that discriminate against Foreign Service career chiefs of mission; improve inducements



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**Salary men on a Tokyo
commuter train.**

**Photo by
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USIA in Europe

TO THE FOREIGN SERVICE JOURNAL:

Pity James Whelan, a gifted young officer, I am told, who entered USIA in the late seventies or early eighties, knew only the Wick Era and the Worldnet fad, had the misfortune to serve in the USIS Paris of 1987-90, and (perhaps understandably) gave up on the Service. Now FSJ treats us to his parting shot (USIA: Sink or Swim, September 1990), a plea to shrivel USIA in Western Europe even further.

Pre-Wick USIA hands, especially those attuned to the cultural and intellectual diplomatic dimension so central to the Western European puzzle, can imagine ready explanation for his animus. For years, USIS Paris wisely resisted USIA Washington's attempt to pour all its products, whether for Africa or France, through the same conceptual funnel. What marked the fifties, sixties, and seventies in Paris was a crest-of-the-wave approach. Instead of doing its own things, USIS Paris helped other things happen, tying in and sometimes buying into the tremendous intellectual and cultural energy flowing between France and the United States. But this jerked to a sharp halt in the fall of 1979.

We may speculate that by the time Whelan arrived at the post in 1987, his job in USIS reduced to programming Washington's products. Instead of buying in to the visit of major orchestras, USIS offered minor performers, he tells us. Instead of launching new American painters in the Dragon Center, closed in 1980, USIS deemed visual arts irrelevant. Instead of capitalizing on the regular Paris visits of such authors as John Updike, Joseph Heller, Susan Sontag, or John Irving, he did what he could with what Washington could scrape up—and this after the blacklisting episode had gutted American intellectuals' trust in the in-

tegrity of USIA. Instead of harnessing the newfound curiosity of serious French intellect and scholarship for American realities in place of interpretive myths, USIA settled for efficiency—what could be used in other countries of Europe and even Africa. And surely one can imagine that this officer had to devote a great deal of time to making Worldnet less useless in France. Poor Whelan could only have seen a faint shadow of USIA's potential.

Moreover, USIS Paris had by his time been turned into an impenetrable fortress by the security forces. The old openness of the Palais de Talleyrand was gone, a spectacularly beautiful restoration of the graceful building on the rue St. Florentin and its treasures was hidden behind barricades, behind men in blazers who frisked visitors and stony Marine Guards in bullet-proof glass booths. Like the Dragon Center, the Odeon Library was gone, its books moved into the Talleyrand keep. USIS' vaunted public diplomacy had gone private, virtually secret. Only the Fulbright Commission continued without interruption to grind out its quiet two-way message of mutual understanding and scholarly interchange.

Whelan's litany of failure neglects to mention the Fulbright Program. This omission suggests a closer reading of Whelan: in what he would keep, there are rich but seriously underfunded possibilities. At a time when the cultural gap between France, indeed between Europe and the U.S. is widening at an alarming rate, it would be wise to ponder how such programs might resist the trend, rebuilding the idea that the U.S. in all but the legal sense is part of the European Community.

Alas, policy-makers pressed by funding shortages are not careful read-

ers. It is predictable Whelan's article will encourage the group which, having narrowly defined USIA as a Cold War weapon, now sees no need for the agency to continue at all. Thus we must fear even more destruction of U.S. diplomacy's capacity for framing the deeper questions that make up America's cultural and intellectual agenda with France and Europe.

Richard T. Arndt

Dr. Arndt, former AFSA vice president for USIA, spent 24 years with USIA and State's cultural affairs divisions, including two as cultural attache in Paris. He is now president of the Fulbright Alumni Association.

TO THE FOREIGN SERVICE JOURNAL:

James Kevan Whelan's "USIA: Sink or Swim" calls for a diminished role for USIA in Western Europe. Despite its laudable effort to reexamine USIA's function in a changing world, I believe the article suffers from a narrow historical perspective and faulty argumentation. Worse, it advocates American capitulation in public diplomacy in an area of key importance to the United States.

Whelan argues that the "threat" to Western European democracies is no longer a major one. But does it follow from this that USIA's mission has been made "obsolete"? Not in the least. The very fact that Western Europe has evolved in a democratic direction means that USIA is faced with new and greater challenges. And these challenges are not so much to "educate" Europeans about "democracy" (which Whelan sees as a "primary function" of USIA) as to inform a sophisticated audience about America.

Access to information does not automatically mean—as Whelan suggests—obtaining objective information. Given the continuing lack of objective information about the United

LETTERS

States, it is a gross exaggeration to state, as Whelan does, that "the basic work of USIA is being carried on constantly in Western Europe in a hundred different ways." Eating a McDonald's hamburger does not necessarily mean one understands America.

Whelan is correct in saying that "it is imperative that the agency constantly redefine its goals." But the role Whelan sees for USIA in Western Europe is unclear if not contradictory. Let us take USIA's press function. On the one hand he says, "USIA will always have a role in every Western European Embassy. These embassies will continue to need spokesmen." One page later, however, Whelan ruefully notes that "though USIA officers seem to prefer the fast pace and immediate satisfaction of working with the press, the information elements of the agency's work may be the least necessary as we move into the 21st century."

Whelan also seems unable to make up his mind about USIA's cultural activities, as his views on the International Visitor Program suggests. On the one hand, he states that the International Visitors Program in Western Europe, "when hundreds of thousands of people from these countries visit the United States every year," no longer has any value. Two pages later, however, he contends that the Voluntary Visitor Program "will be continually useful to young scholars, researchers, and government officials, who will always need help in arranging appointments and meeting with America's best experts in their respective fields."

Whelan is critical of Worldnet and Ampart programs in Western Europe, but his arguments against these programs are unconvincing because of his assumption that only expensive, high-visibility programs are effective. But Worldnet need not be CNN and Amparts need not be Henry Kissingers for them to reach Western European audiences effectively. Certainly excel-

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lent programs can be organized for target audiences without the participation of media and culture "stars" who are often over-exposed to begin with. Indeed, it is not necessarily true, as Whelan states, that "one conference bringing together well-known scholars or one performance by a celebrated dance company or music group can have greater impact than a series of performances or lectures by lesser-known people." The truth is often the opposite, as long as the lesser-known people show promise and are well selected.

In all fairness to Whelan, he has enough sense to recognize the importance of USIA libraries and of USIA support for English teaching. He also seems aware that cutting back on USIA activities in Western Europe could "undermine the good will USIA has generated" there. Indeed, it would be embarrassing to explain to Western Europeans that the USG has lost interest in them—because, if we follow Whelan's logic, they have become successful democracies.

Instead of proposing innovative USIA activities for a rapidly changing area of crucial importance to the U.S., Whelan has written a poorly reasoned article that provides an inadequate criticism of existing programs. Much needs to be improved in U.S. public diplomacy toward Western Europe. But such improvement requires imagination—not capitulation.

*John H. Brown
Foreign Service Officer*

NOTE TO READERS: The JOURNAL welcomes letters to the editor. Although all submissions are carefully read, we regret that due to volume, we cannot acknowledge or return unpublished submissions. Letters may be edited for length.

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The Alien Registration Program

by Earl G. Harrison, director of Alien Registration, Department of Justice, FSJ December 1940

The Alien Registration Act of 1940 marks the first effort of the United States Government to get a complete picture of aliens in this country. Passed as a national defense measure in June of this year, it immediately presented a number of new problems. The most unusual one, perhaps, consisted of reaching out into all sections of the nation and informing our alien population of the requirements of the law. . . .

Of the 6,300,000 aliens present in this country in 1930, there are probably fewer than four million at the present date. A greater number of persons who were aliens ten years ago have become naturalized; some have died; a number of them have left the country. . . .

There were naturally many fears non-citizens had in connection with the registration. Some were afraid that registration would jeopardize their jobs; others felt that registration would take away some of the rights they enjoyed as residents in the United States. From the very beginning we tried to allay such fears by pointing out that the Alien Registration Act did not represent any change of policy toward the alien on the part of the United States Government. In administering the Act, my colleagues and I have stressed the point that we consider the majority of aliens in the United States law-abiding persons who are as true to the letter and spirit of American laws as are patriotic American citizens.

The Foreign Service Quiz

Editor's Note: Beginning with this issue, the Foreign Service Journal will run short quizzes on diplomacy and foreign affairs. Readers are invited to submit questions. Answers to this month's quiz are found on page 66.

1. Name three (out of a possible five) U.S. presidents who had served overseas in important U.S. diplomatic posts.
2. Which U.S. envoy uttered the words, "It would be superfluous to point out to your lordship that this is war"?
3. Which American envoy and ex-politician shot his wife's lover dead on the streets of Washington, lost a leg at Gettysburg, and then carried on an affair with the ex-queen of a country to which he was accredited?
4. Who was the longest-serving envoy to Japan?
5. Thomas Jefferson, the first Secretary of State under the Constitution, had a staff of how many people?

CLIPPINGS

The Helms veto

*The Boston Globe, October 15, 1990,
by Pamela Constable*

According to his colleagues, George F. Jones is a discreet, loyal Foreign Service officer who has ably carried out Latin American policy for three Democratic and five Republican administrations over the past 34 years.

In 1987, when Jones was serving in Chile during its transition from military rule, the State Department honored him for "persistence, dedication, and courage" in "promoting the national interests."

Yet because of objections from one Republican senator, Jesse Helms of North Carolina, Jones' nomination as ambassador to Guyana has been held in abeyance since June. With time running out on the current legislative session, his chances of being confirmed are dwindling by the day.

... Several aides to Helms did not return phone calls, but Senate and State Department sources said his chief objection to the Jones nomination relates to US policy toward Chile's former dictator, Gen. Augusto Pinochet, whom Helms admired as a champion of anticommunism and free-market economics.

'Down, down Saddam!'

The New York Times, October 25, 1990, by Sheila Rule

A British hostage freed by Iraq returned home to England today after asserting that Westerners held at an armaments factory outside Baghdad rioted over mistreatment by what he called "sadistic guards."

The hostage, Jim Thomson, was among 32 sick and elderly Britons who were allowed to leave Iraq on Tuesday. Their release came after former Prime Minister Edward Heath met with the Iraqi President, Saddam Hussein, on Sunday and negotiated their freedom with Baghdad officials.

... "There were no toilets," said Mr. Thomson, 50 years old, who was

freed because of a heart condition. "The food consisted of rice and tomato water, which we discovered we were supposed to use to help soften the stale bread we were fed. We had sadistic guards who would punch the hostages just for the sake of it, although I was never hit myself."

"Some of the Britons we referred to as sheep because they accepted this treatment, but about 15 of us—Japanese, German, American, and British—rioted on September 29, smashing all the windows, pulling down doors and a fence, and chanting, 'Down, down Saddam!'"

Kamp Kuwait

*USA Today, October 24, 1990, by
Marilyn Greene*

U.S. Ambassador Nathaniel How-

ell—commanding officer at "Kamp Kuwait"—wants Saddam Hussein to know Howell is a hard man to beat.

Howell and a band of two dozen or so diplomats trapped inside the U.S. Embassy in Kuwait City are "flapping the flag" any way they can think of, Howell's wife, Margie, said in an interview Tuesday.

...The diplomats have overcome a water shortage by digging a well on the compound—allowing showers once again.

"They were using buckets and sponges," said Howell. Howell talks to her husband almost daily on a special State Department linkup with the embassy. "He was in great spirits" on Tuesday, she said.

Her husband's "wacky sense of humor" helps him endure what the State Department calls "quite rugged,

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quite rough" conditions. "Along with the showers they can now take, they've been washing cars, so the Iraqis can see" the diplomats—another way of thumbing their noses at Iraqi troops surrounding the compound.

No exit

The New York Times, October 25, 1990, by Francis X. Clines

More than 200 Christian fundamentalists who were supposed to inaugurate a new refugee system to America were trapped in a bureaucratic limbo at the airport today, having sundered all ties to the Soviet Union after years of religious persecution, but then finding departure denied to them at literally the last exit.

... Diplomats were reported hunting for a way to unclog the system begun under the spirit of warmer Soviet-American ties to speed 1,000 Soviet immigrants a week directly to the United States from the full range of refugee categories.

The new system, which includes a new refugee processing center intended to streamline United States procedures and minimize the amount of time refugees linger homeless and in doubt at Moscow checkpoints, effectively replaces the old system in which approved refugees were flown to Rome and Vienna. There they awaited further processing and transport, at considerable expense to the American Government.

The problem today for the refugees, who are among several thousand Soviet fundamentalists expected to go to the United States, centered on the fact that thousands among the 50,000 refugees bound for the United States and scheduled to depart in the next year have Israel listed as their destination, a convenient cold-war fiction under earlier Soviet visa procedures.

But Soviet border guards insisted that those refugees should also have entry permits from Israel in their passports, a stipulation that surprised officials of the program and stunned the fundamentalists.

The mysterious Simone

Star Tribune, October 20, 1990,
Are President Bush and his top

aides inserting a secret code word into their Persian Gulf speeches that can only be heard by listening to them backward?

Sen. Claiborne Pell, chairman of the Senate Foreign Relations Committee, says that while the theory "sounds wacky, there may be some merit to it." But Friday he reprimanded his aide who raised the issue.

The aide, C. B. Scott Jones, had written to Defense Secretary Dick Cheney saying he has found what may be a recurring code word in presidential speeches.

It's "Simone."

"In statements made about Iraq by President Bush, Secretary of State (James) Baker and yourself, a word that we have never seen in a speech reversal has appeared. The word is 'Simone,'" Jones wrote to Cheney in a letter dated Oct. 3.

... Jones, a 62-year-old former Naval intelligence officer, earns about \$50,000 per year and is assigned to

study developments in paranormal phenomena. He has been working for Pell for six years.

Who's in Baghdad

The Washington Times, September 7, 1990

A staffer working with a prestigious committee on Capitol Hill was trying desperately to track down a photograph of Saddam Hussein yesterday. Several calls to the State Department yielded only frustration. "They had no idea who I was talking about," the staffer told us. Then came an encounter with someone who seemed to have a vague notion.

"Who?"

"Saddam Hussein."

"Paul Sarbanes?"

No, not the Democratic senator from Maryland. The undemocratic dictator from Iraq.

"Who?"

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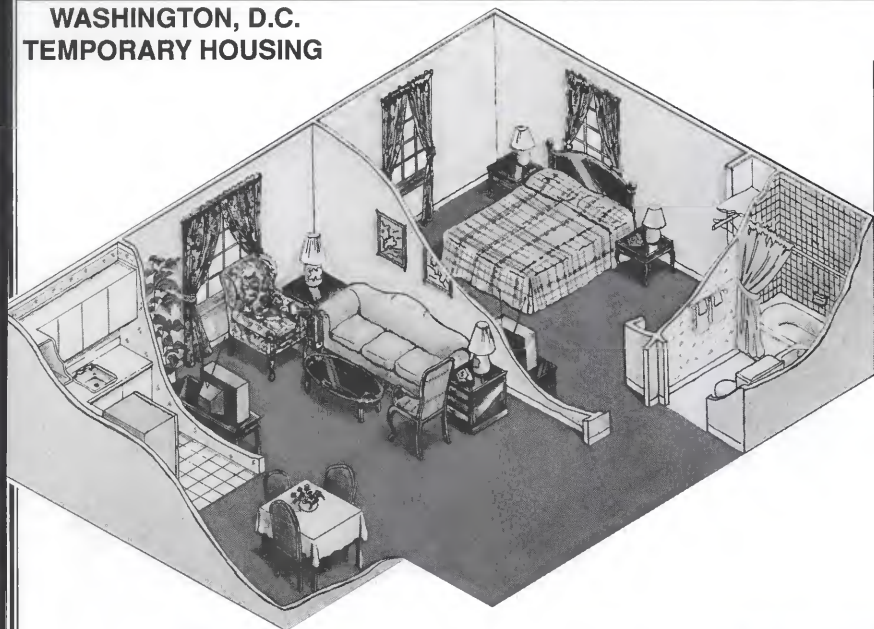
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Beyond Containment: The U.S.-Japan Alliance

FRANK McNEIL



It is hard to see how the much-touted Pacific century could come about if the alliance between the United States and Japan comes to an end. Yet the publics of the two countries have begun to question the desirability of the security arrangement as well as the terms of the U.S.-Japan economic interdependence. The relationship is strained by real differences: the security arrangement is still largely justified in the outdated rhetoric of containment. Trading partners chafe at the pace at which Japan is opening its markets to the outside. The United States is impatient for Japan to assume political responsibilities commensurate with its economic might. There is a strong case for continuing alliance, wrapped up in the prospects for a Pacific century and global cooperation, against the agenda of growth, stability, and the environment. But the alliance cannot be made in the old terms.

The continental drift of the world economy toward the Pacific Rim and the growth of democratic institutions in the Republic of Korea and the ASEAN states took place under the aegis of containment. The pillar of containment has been the security relationship between the United States and Japan, codified in the 1960 Treaty of Mutual Cooperation and Security. Containment in the Pacific, after Vietnam, engendered a climate of stability in which most nations could devote themselves to domestic pursuits. While the collapse of Soviet empire and the end of the Cold War ended superpower confrontation, they have not altered the need for a stable balance of power in the Pacific, and it is not easy to see what might take the place of alliance with Japan as the keystone of Pacific stability in the post-containment era.

The economic interdependence of Japan and the United States has provided a framework for expansion of trade throughout the region. Trade drove the rapid development that characterized the newly industrialized economies (NIEs) in Singapore, Taiwan, Korea, and Hong Kong in the 1980s. Today, Malaysia, Indonesia, and Thailand are poised to join the NIEs. A breakdown of U.S.-Japan ties would affect economic relationships—indeed would be driven in part by them—and would spark a downturn in world trade, the engine for development in the Pacific Rim.

Changing times, dying assumptions

A new political economy is at work in which linkages between politics and economics are evident and yet hard to define, in the Pacific as well as in the Persian Gulf. While talk of a new world order (a staple of talk shows) is premature, neither old rhetoric nor old assumptions will do. Right now, the answer of the governments involved in NATO and the U.S.-Japan security treaty is to maintain alliances, which could become the building blocks of a new order. But the collapse of Soviet empire and the end of a Soviet threat have deprived the treaties of their principal *raison d'être*. The alliances still com-

mand popular approval, whether out of habit or prudence, but there is pronounced questioning of their utility, in the United States, Europe, and Japan, which will not be stilled unless the alliances are modernized. What is missing is a modern rationale that will persuade public opinion and not just insiders.

"Change is not likely to make alliance less necessary, but it does mandate the formation of more effective 'rules of the road' for engagement between the United

States and Japan and the construction of a common vision for harnessing the alliance to the challenges of the next century," concluded the non-partisan Commission on U.S.-Japan Relations for the 21st Century in May 1990. The global agenda, according to the commission, includes inherited issues: "international security and the peaceful resolution of conflicts, macroeconomic coordination among Japan, Europe, and the United States, and economic and political development in the Third World." It also includes issues of the future, such as "managing scientific and technological advancement to allow for simultaneous cooperation and competition, and the forging of an environmental al-

liance." The commission termed the capacity for cooperation between the two countries "the key to prosperity and stability in the Pacific." This sentiment is widely shared around the Pacific Rim, where many countries fear the consequences of a break between Japan and the United States.

Despite dramatically changed circumstances, most official rhetoric concerning the U.S.-Japan alliance remains congealed in the amber of the diplomatic discourse of 20 years. The last time either government said anything original about the security relationship was in the period 1968 to 1970, when the conjunction of security treaty renewal and potentially explosive pressure for Okinawan reversion to Japan forced them to undertake a thoughtful examination of the alliance. The examination produced an elegant bargain, set out in the 1969 Nixon-Sato accords: Okinawan reversion in return for a real Japanese self-defense capacity and a continued security treaty.

Currently some interesting ideas are circulating about



ILLUSTRATION: RANDY THYUS

how to "fix" the relationship, such as the so-far ill-defined "global partnership" proclaimed by President Bush and Prime Minister Kaifu. But not all the ideas are sensible. To make keeping Japan in check—as many Asians (and some Japanese and Americans) suggest—the *raison d'être* for a post-Cold War security relationship is too much freight for the treaty to bear. It is also unfair.

Rather than "containing" Japan, the problem is to contain the centrifugal forces set loose by the end of the Cold War, which we have seen in the Persian Gulf. Consequently, a stable post-containment balance of power in the Pacific probably requires wider arrangements, a system of assurances, along with an "open" trading regime, among the United States, Japan, China, Russia, ASEAN (the Association of Southeast Asian Nations), Canada, Australia, New Zealand, and the Republic of Korea (or a united Korea), with a modernized alliance between the United States and Japan at its core. This is not a welcome idea today in Washington or Tokyo. Certainly, the price of Soviet entry would be closure of World War II ledgers with Japan (including the northern islands issue) and reduction of Soviet military dispositions in north Asia. But it is time for the two countries to stop being quite so cautious in exploring the requirements of post-containment stability in the Pacific.

Rather than trade, it was security—the Persian Gulf—that produced a sharp domestic and external crisis.

Whatever happens, the resolution of the Gulf crisis will be a harbinger for the future of alliances that sustained the United States through the Cold War. In Japan, the crisis interrupted a leisurely but constructive debate about participation in UN peacekeeping. A consensus was emerging for non-military participation; plans were in the works for Japan to take on a major burden, in people as well as money, in the UN plan to bring peace to Cambodia, and laws were being drafted for this kind of contingency.

Instead, the issue became what to do about the Gulf, which provoked sharp American criticism, because Japan could not decide how to contribute to the operation's expenses. In the end, Japan's \$4 billion contribution (twice as much as Germany's) is quite respectable. But the central issue involves Japanese personnel and thus touches on the nature of the modern Japanese state, and particularly the Japanese conception of democracy, which is linked to the peace constitution. The U.S. government, rightly concerned by possible casualties, has pushed for allied participation. The Japanese government, trapped in an internal debate, came up with a bill that would permit Japanese military units (basically

unarmed) to serve in a Peace Cooperation Corps. Many Japanese, and other Asian governments as well, fear such legislation could begin a death watch for the peace constitution. Most other Asians don't want Japan involved militarily overseas.

At this writing, the proposed bill appears dead. Japan will probably find a compromise formula allowing participation without reawakening old fears, but Kaifu's cabinet—beset by ruling party rivals—could fall over the issue.

The Japanese government, driven by domestic politics demanding that leaders show some spine, responded in kind with a pointed and largely accurate list of major American economic deficiencies. Both sides also presented interminable wish lists, but major issues were well chosen.

Constructive meddling

The trade deficit has sparked original thinking about the terms of economic exchange. American critics challenge the free trade philosophy that has characterized policy since Franklin Roosevelt and Cordell Hull. The critics argue that the United States should accept Japan's economic be-

havior as immutable, at least in the short run, and "manage" trade by limiting Japanese exports to a level that would bring the trade deficit into balance.

In turn, Japanese critics argue that we have it wrong: they say the trade deficit is due largely to American indolence in letting budget deficits mount and saving rates drop.

After a long minuet on Japanese non-tariff restrictions, the governments have become venturesome. Rather than being a well thought-out strategy, the Bush Administration's Structural Impediments Initiative (SII) seems to have been, in its inception, an effort to "manage" politically the huge trade deficit. But this attempt grew into an innovative—if risky—effort to get Japan to alter fundamental economic behavior. The Japanese government, driven by domestic politics that demanded leaders to show some spine, responded in kind with a pointed and largely accurate list of major American economic deficiencies. Both sides also presented interminable wish lists, but major issues were well chosen.

The jury is out on the results, but the two countries broke with a traditional assumption of diplomacy: internal structures are not proper subjects for bilateral negotiation. There has been too much handwringing about this aspect of SII; ample precedent exists in the activities of the International Monetary Fund and the World Bank for pushing domestic structural reform in the developing world. What is sauce for the multilateral gander, should be sauce for the bilateral goose.

The Japanese public, to the surprise of the ruling Liberal Democrats, approved of much of the liberaliza-

The Japanese military role

Support for a more independent military and foreign policy stance on Japan's part could presage new thinking about the alliance relationship. Both the United States and Japan seem to support not only an opening of Japanese markets to foreign competition but also an expansion of the Japanese global role—although there is not overwhelming Japanese enthusiasm for a greater military burden-sharing role in the Pacific.

A November 1989 Harris survey found a slight ma-



jority (52 percent) of Japanese in agreement with the proposition that "In the future... Japan should rely less on America for its national defense." Only 31 percent disagreed. Americans appear to favor increased Japanese independence in military and foreign policy even more than do the Japanese themselves. Both Americans and Japanese were asked, for example, the following question: Do you think Japan should continue [its] military dependence on the United States or build its own independent military defense system? While 22 percent of Americans answered that the Japanese should continue their dependence, 31 percent of Japanese answered in the affirmative.

Premised on the belief that troop deployments have helped guarantee peace in Europe, Japan, and Korea, Americans have been very consistent over the years in their willingness to maintain U.S. troop levels in these regions. Japanese thinking, on the other hand, contains a strong pacifist, anti-military element. The presence of foreign troops is not widely welcomed: some 68 percent of Japanese favor reducing or even eliminating the U.S. military presence. Younger Japanese, moreover, are far more likely than their elders to think of the United States as a potential military adversary.

The data are hard to explain: Japan's decision at the Houston Summit to stake out an independent policy on China, by renewing economic assistance, provoked unease in the United States. And the slowness of Japan's response in the Gulf has provoked public criticism.

— William Watts

tion demanded by the United States, because it would benefit much abused Japanese consumers. A Nihon Keizai newspaper poll provided Prime Minister Kaifu with enough ammunition from his own party to move to closure on SII. Market forces support Japan's demand that we show greater budgetary discipline. In the absence of a real effort to curtail our deficit, treasury securities no longer look like such attractive investments to foreigners. The alternative to curbing the deficit, a perpetual devaluation of the dollar that exposes our asset base to fire sales in European and Japanese currencies, should not be attractive to Americans.

Fortunately, a popular economic assumption may be in trouble, the notion that we will run a huge trade deficit with Japan in the foreseeable future. Ever since the Plaza Accords in 1985, which ended the artificially high dollar, projections about the trade deficit have been poor. After the dollar began its slide, economists projected that the comparative advantage to American exports from a cheaper dollar would substantially cut the trade deficit with Japan from the \$65 billion level. Instead, almost nothing happened for two years, though our trade deficit with Europe quickly improved, a direct consequence of devaluation.

In 1987, after the dollar leveled off and the so-called J-curve finally took effect, the gap with Japan began to narrow after all, reaching \$49 billion in 1989. The new wisdom said that it would stick at this level, still unacceptably high. But the bilateral deficit is still going down, perhaps into the low \$40 billions for 1990 (the most optimistic estimates—from the White House—suggest the upper \$30 billion range). It is much too early to relax on trade, but whatever happens, oil is now the biggest component of the U.S. trade deficit, a tendency the Gulf crisis has exacerbated. If the United States is condemned to huge global trade deficits in the years ahead, it will be because of the lack of an energy policy.

Globalizing the economy

The world economy seems poised between greater globalization and the rigidity of a three-bloc system. Intraregional trade in the Pacific area (among the United States, Canada, Japan, the newly developed economies of Asia, ASEAN, Australia, and New Zealand) amounted to 35 percent of world trade in 1989. The Pacific's GNP share of the world economy was about 47 percent in 1989, whereas that of the EC was about 23 percent. Looking ahead, a Japanese and an American economist, Kazumasa Iwata and C. Fred Bergsten, have independently sliced the pie three ways: Europe, the Pacific and the Western Hemisphere. (China and the Soviet Union were held out of both calculations, for obvious reasons.) Their projections for the global economy differ in some important ways, but both conclude, in Bergsten's words, that it "is likely that the three large economic areas—the United States (or North America), Japan (or East Asia), and Europe will be roughly the same economic size by

the year 2000 . . . we will steadily evolve toward three roughly equal economic areas by the end of the decade."

There will be a lively debate about how the world shall organize itself economically, in which what happens in the Pacific will be crucial. A three-bloc system, based on the yen, German mark, and dollar, may become a reality, but it seems unstable and less preferable to globalization and an "open" Pacific trading system, which many Pacific countries want in order to avoid falling under Japanese economic domination. In the worst of circumstances, chronic economic weakness in the United States could lead to a de facto two-bloc system in which the yen and mark take over from the dollar much of the reserve currency role.

For an aspect of the debate in Japan, consider the theory of "Surplus Utility," proposed in a Finance Ministry-sponsored study. This insular theory (from a source that might have been expected to provide sophistication) calls for Japan to run a permanent surplus of 1-2 percent of GDP. When an IMF report suggested that since no other major country was saving very much, it might be good for Japan to continue running a surplus in order to finance the U.S. deficit and provide capital for Third World growth, the ministry saw a chance to get the theory on record. Little more than a divine right of surplus, the theory has been disowned as official policy because of foreign reaction as well as domestic disagreement in Japan. Like many bad ideas, however, "Surplus Utility" may have a shelf life that it does not deserve.

Sharing responsibilities

Major issues that will frame the debate over new parameters for the U.S.-Japan alliance are Japan's surplus, investment, aid to developing nations, and the management of debt. In the early 1990s, the world demand for capital is likely to exceed the supply. How can the Japanese best use their surplus (it is coming down) to push world economic growth, protect the environment, and promote other international goals? One answer is that Japan's surplus can be used to promote development if the Japanese buy more, not just from the United States, but from the developing countries, invest more in the productive sector in the Third World, participate more actively in debt reduction, and work to tailor economic assistance to developing countries' needs.

Japanese are conscious of these goals. But because of understandable pride in Japan's own development model

and a less laudable penchant for modern-day pyramid building, Japan has concentrated a great deal of its economic assistance on major infrastructure projects in the Third World. Too much has to be paid back in yen, making Japan's aid expensive, which has given rise to criticism of Japan's lending policies in the Pacific Rim nations.

Were Japan to devote a greater share of investment and aid to productive enterprise in the Third World, and

import more of their products, it would provide a natural hedge against exchange-rate risk. It would also remedy the deficiency of excessive emphasis on infrastructure, where job creation is mostly temporary in contrast to productive enterprise.

Japanese aid began as war reparations. Subsequently, the Japanese justified aid as a contribution to peace and stability—an unstated bargain with the United States by which

Japan picked up an economic burden to offset the U.S. defense burden. Today, public rationales stress three themes: humanitarian assistance, economic development, and the apolitical nature of Japanese aid. In fact, Japanese aid still serves commercial and political purposes: even today, 70 percent of Japanese aid goes to Asia, in good part to promote commerce with and stability in its neighbors. Japan has used assistance to support geopolitical interests with the United States, as in Central America. These form part of the rationale for assistance to Eastern Europe and the Gulf, though particular interests are also involved—a foothold in a new European market and Japan's stake in stability in the oil-producing world.

Japan's economic assistance has surpassed North America's, proper in that Japan is a capital surplus country and the United States is not. American aid has similar rationales, emphasizing humanitarian goals, but much aid has been driven by security considerations. The two countries could usefully strike a bargain in which Japan would deemphasize the commercial motive and America the security aspect, perhaps through a shift from bilateral to multilateral assistance. The two countries also need to reach together a more precise understanding about conditionality for foreign aid, bilateral and multilateral.

Except for the Miyazawa Plan, which stimulated the Brady Plan, the United States has been more innovative in finding ways to reduce the crushing burden of debt on the developing world (projected to reach \$1.165 trillion in 1989, an increase of more than 100 percent in nine years). The Brady Plan deals with debt to commercial

It is much too early to relax on trade, but whatever happens, oil is now the biggest component of the U.S. trade deficit, a tendency the Gulf crisis has exacerbated. If the United States is condemned to huge global trade deficits in the years ahead, it will be because of the lack of an energy policy.

Uneasy Eyes Across the Pacific

WILLIAM WATTS

In a year of mounting tensions over barriers to trade between the United States and Japan, the generally successful conclusion of the Structural Impediments

Initiative (SII) talks between Japan and the United States—aimed at dealing with such structural problems as market access, budget deficits, and overall trade imbalances—brought a sigh of relief and helped lower rhetoric in Tokyo and Washington. A group of surveys conducted from May to August 1990 indicates, however, that U.S. and Japanese publics still view each other with caution. As economic frictions and imbalances persist, public opinion reflects the continued tensions.

These surveys, conducted by news and polling organizations in the United States and Japan, include the following: a CBS News/New York Times/Tokyo Broadcasting System poll of 1,084 Americans and 1,468 Japanese; a Louis Harris/Asahi Shimbun poll of 1,255 Americans and 2,397 Japanese; a Wall Street Journal/NBC News/Nihon Keizai Shimbun (Nikkei) poll of 1,007 Americans and 1,412 Japanese; a Harris/Nippon Hoso Kyokai (NHK)/Business Week survey of 300 American, 201 European, and 90 Japanese business executives; and a Times Mirror survey of 3,044 Americans.

Who's No. 1?

The U.S. concern about Japan's economic might is played out

in perceptions of who is more powerful. Wall Street Journal/Nikkei and Louis Harris/NHK surveys suggest that although Americans are much more pessimistic about U.S. economic prowess than are the Japanese, Americans do look to the future a bit more hopefully. When asked whether Japan, the United States, Germany, or the Soviet

Union currently has the stronger economy, 69 percent of Americans and 43 percent of Japanese chose Japan (see table 1). But asked further which country would be paramount in 10 years, only 41 percent of Americans chose Japan, with 27 percent responding that the United States would be stronger.

U.S. business executives are in considerably greater agree-

ment with their Japanese counterparts that Japan has not assumed the mantle of economic leadership—a point of view rejected by colleagues in Europe.

Unfair competition or scapegoating?

Many Japanese, and a goodly number of Americans as well, complain that the United States should spend less time blaming Japan for the U.S. inability to compete and more time putting its

own economic house in order. The CBS/New York Times/TBS survey indicates plurality (but declining) support in both countries for the "scapegoating" thesis—blaming the Japanese for America's own economic problems (see table 2).

If more people in both countries are coming to believe that unfair competition is part of the problem, one might expect this outlook to translate into increased support for Japan to change, adapting some of its practices to an evolving world. The Harris/NHK/Business Week survey of business

executives points to just that conclusion: Japanese economic leaders are generally in agreement with counterparts in Europe and the United States on the need for Japan to "open up"—a concept that is not clearly defined (see table 3).

On the direct issue of opening up, Japanese executives were considerably more bullish than either American or European ones. They were also readier to promote free trade, increase aid to needy nations (Japan is, in fact, the leading aid donor, having replaced the United States in that capacity), and foster technology transfer.

Readiness for "opening up" is not in keeping with protectionism, and closing one's markets (capital markets included) against

outside penetration. But both Japanese and Americans—by shrinking majorities—do favor some restrictions "to protect domestic industries," according to CBS/New York Times/TBS. Most strikingly, when asked in June about trade restrictions, 40 percent of Japanese respondents answered that "free trade must be allowed, even if domestic in-

dustries are hurt by foreign competition," up from 35 percent in favor of free trade when asked in 1989.

Investment: how much and what kind?

Japanese investment in the United States has become a growing bilateral issue and the subject of considerable survey research (see table 4). Less attention has been paid to the reciprocal issue of American investment in Japan. The recent Wall Street Journal/Nikkei poll shows that 69 percent of Americans believe Japanese companies' investment in the United States is excessive.

Table 1: Which of the following countries do you think has the strongest overall economy?

Currently:		Japanese responses	
USA	17 percent	50 percent	
Japan	69	43	
Germany	9	2	
USSR	3	1	
10 years from now:			
USA	27 percent	41 percent	
Japan	41	31	
Germany	17	14	
USSR	1	3	

SOURCE: Wall Street Journal/Nikkei poll

Table 2: Which of the following statements comes closer to your opinion—"Japanese companies are competing unfairly with American companies," OR "The United States is blaming Japan for its own economic problems"?

(In percent)	American responses			Japanese responses		
	1985	1988	1990	1985	1988	1990
Unfair competition	30	33	38	19	19	27
Japan being blamed	53	48	44	70	73	68
Both	5	5	8	—	—	—
Don't know	12	14	10	11	8	5

SOURCE: CBS/New York Times/TBS survey

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Table 3: As an increasingly powerful economic force, Japan should take what steps internationally to foster global economic prosperity?

(In percent)	U.S.	Europe	Japan
Open its domestic markets:	63	65	76
Work toward promoting free trade	58	43	71
Open its capital markets:	41	39	29
Increase its aid to developing countries:	34	39	58
Take a greater share of the military cost of protecting the Pacific Rim:	34	9	4
Increase support of international organizations such as the UN, the IMF, and the World Bank:	29	19	54
Transfer its technology abroad:	27	29	54

SOURCE: CBS/New York Times/TBS survey

Many Americans have concluded that Japanese investment—put under the spotlight by such high-visibility purchases as a share of Rockefeller Center, Columbia Pictures, various art masterpieces, and, most recently, the famed Pebble Beach golf links and surrounding properties—amounts to a virtual national takeover. Consider, for example, responses in the June CBS/New York Times/TBS survey, which showed that 73 percent of Americans agree with the statement: “If the U.S. government doesn’t do something soon, the Japanese will end up owning most of this country.” This survey showed a 3 percent increase over affirmative response to the same question in February 1989, posed by The Washington Post/ABC.

Such reactions in turn lead to growing sentiment in favor of

Table 4:

	Cumulative Foreign Investment in the U.S. 1988 (in \$ billions)	Growth in Direct Foreign Investment in the U.S. (compound annual rate, 1977-1988 in percent)
United Kingdom	\$101.9	Japan 35.4
Japan	53.4	United Kingdom 29.8
Netherlands	49.0	West Germany 17.3
Canada	27.4	Netherlands 16.2
West Germany	23.8	Canada 16.1

SOURCE: Commission on U.S.-Japan Relations for the 21st Century

preventive government action to put limits on Japanese purchases. Considerably more Americans than Japanese are of the opinion that Japanese investment in the United States is excessive, a term which is undefined. But even a bare plurality of Japanese agree, probably reacting to the flood of negative media coverage of Japanese investments in the United States.

Views are in sharper contrast concerning U.S. investment in Japan: an American majority says “too little,” while a Japanese majority says “about right.” The recent Wall Street Journal/NBC/Nikkei poll indicates that 58 percent of Americans believe U.S. investment in Japan is too little. Overall, however, less attention has been paid to the issue of U.S. investment in Japan. ■

The United States has bases in Japan because they serve U.S. interests; because they serve its interests, Japan accepts them and now pays half the costs (54 percent for 1991). Congress erred in asking Japan to pick up all costs (which would make Americans the Hessians of Asia) as it did three years ago in asking Japan to devote 3 percent of its GNP to its defense budget.

banks, and President Bush proposes to break the taboo against relief from bilateral official debt for some countries in Latin America and for Egypt. In a report entitled “What Next on Debt,” the respected Latin American economist, Fernando Naranjo, sees opportunity for the United States, Japan, and Western Europe to play a more decisive role in the search for new options involving market mechanisms. Everyone should participate: debtors (through structural adjustment), commercial banks, creditor governments, and multilateral financial institutions.

Cooperation and competition

“The question for the 1990s is whether U.S.-Japanese trade disputes can be solved without causing a rupture in the many critical areas of mutual dependence,” wrote former Honeywell Chairman Ed Spencer (who chairs the Commission) in *Foreign Policy* (spring 1990). Equally critical of protectionism and irresponsible budgetary and savings practices in the United States, Spencer suggested that “Japan and the U.S., with the European Community as the third partner, will have much to gain by increasing their cooperation on items from the global agenda—for instance, managing macroeconomic relationships, solving problems of growth and debt in developing countries, and looking for solutions to global problems like AIDs, pollution, and global environmental degradation.”

Today when we speak of Europe, we speak of an entity inclusive of its largest economic force, Germany. Asia has no unifying identity. More precisely, it has many identities and rivalries, one reason why there is no NATO in non-Communist Asia. After Vietnam, Asians understood that the United States would no longer violate General Matthew Ridgeway’s caution against rushing into ground wars in Asia, apart from honoring the longstanding and generally accepted commitment to the Republic of Korea. America’s military presence in the Pacific provided a non-threatening assurance of

stability. American withdrawal to Hawaii would create a power vacuum, an invitation for someone to fill.

China approves of America's presence in the far Pacific, as do ASEAN countries (a severe case of not-in-my-back-yard notwithstanding). Polls show that even most Filipinos would prefer that the United States stay, though America will surely leave, from Clark Field if not from Subic Bay. Most Koreans want U.S. troops, for the time being, though force reduction will be as welcome in Korea as it will be here. So long as the Soviet Union remains more or less intact, it will remain an Asian power. The Soviets have carried water on both shoulders, maintaining that normalization requires the abolition of the Security Treaty. Now, as perestroika approaches the Pacific, Americans hear Soviets speak approvingly of the security relationship; scarcely veiled is a belief that the relationship will check any resurgence of militarism in Japan.

The United States has bases in Japan because they serve U.S. interests; because they serve its interests, Japan accepts them and now pays half the costs (54 percent for 1991). Congress erred in asking Japan to pick up all costs (which would make Americans the Hessians of Asia) as it did three years ago in asking Japan to devote 3 percent of its GNP to its defense budget, which would have made it a military superpower. The real issue is the size of U.S. forces in Japan, where both governments contemplate minor draw-downs, which is probably not satisfactory over the long haul.

The Japan question

The first great watershed in the post-war era lay in the decision to avoid the errors of Versailles and make Germany and Japan part of the reconstruction of a war-torn world and to democratize the vanquished where the writ of the Western allies ran. From this followed the inclusion of Japan in the structure of containment, as a result of the Korean War, a sovereign treaty of alliance in 1960, and the reversion of Okinawa in 1970 to Japan, among other things. Now Japan and the United States are at another watershed, precipitated by global transformation, in which contrary currents pull in different directions.

It will be in Japan's interest for all the players in Asia to see Japan as militarily non-threatening—a view that can last only so long as alliance with the United States is maintained. There is also a sophisticated view among some Japanese that the alliance strengthens Japan's democracy.

Just as the "German question" became the key to an incipient post-Cold War regime in Europe, so too will the Japan question become the fulcrum in Asia. The Pacific century hinges upon, among other things, the future of democracy in Japan. Most Asians see Japanese democracy, seen as linked to the peace constitution, as an essential element in a structure of peace. Perhaps the best way to demonstrate this is to envisage the reaction of Japan's neighbors—democratic or not—to the wildly

improbable contingency of a military coup. Japan's political system is the best guarantee of Japan's own security.

To quote the headline on a recent A. M. Rosenthal column, "MacArthur knew best." Japan's democracy has been remarkably successful; so has its commitment to a non-nuclear, strictly defensive military establishment. Japan's highly talented but elitist bureaucracy is now seen as an obstacle to translating popular will into action; so

is the electoral system. Electoral reform may hold the key to making Japanese democracy work better. Americans should be careful not to let expediency take over, particularly by pressuring Japan to get its military to do more than the constitutional traffic will bear. Whither Japan is also whither America. Some problems, such as racism and corruption, are present in both societies. An inability to get our economy moving will reduce our role in the world even as it reduces America's desire to play one.

There are two assumptions that plague policy discourse about Japan. One is that Japan is so different that we should forget about convergence. The second is that Japan does not change. Neither stands up. Japan, of course, is different and differs in its economic behavior, which has complicated interchange with the United States and the rest of the world. But the last 40 years have brought about vast changes. Internationalization is tough stuff, so a Japanese policy of avowed (and perhaps armed) insularity remains entirely possible, as does a return to isolationism here. Both do have other options besides alliance, and so one must return to the proposition that the Pacific century depends on how Japan and the United States conduct their relations with each other. ■

Executive director of the Commission on U.S.-Japan Relations for the Twenty First Century, Ambassador McNeil quit the Foreign Service in 1987 after a career in Asia, Latin America, and southern Europe that included 10 years' service in Japan. Papers cited in the article are available from the commission, at 1020 19th Street, N.W. #130, Washington, D.C. 20036.

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Korean- U.S. Trade: Current Issues and Future Prospects

CHWEE HUAT OW-TAYLOR

For the past 40 years the United States has played big brother to Korea, providing security since World War II, helping to reconstruct the war-devastated economy in the immediate post-Korean War years, revitalizing the nation with economic assistance and technology in the 1960s and 1970s, and, in the last quarter century, providing Korea's largest export market.

Now Korea is poised to claim its status as an industrial power. Along with Taiwan, Hong Kong, and Singapore, Korea is being considered for membership in the Organization for Economic Cooperation and Development (OECD) and is likely to become the next Asian member of OECD, after Australia, New Zealand, and Japan.

In 40 years, Korea's traditional agricultural economy, ruined by war, has been transformed into a high-growth newly industrializing economy. Growth rates averaged 8 percent between 1963 and 1985 and topped 12 percent annually from 1986 to 1988, while inflation remained relatively low. The prompt return to a growth rate of above 9 percent after the temporary dip in 1989 showed the economy's resilience. In the 1986 to 1988 period, Korea also tallied substantial surpluses in the current account, following a long period of persistent deficits.

The United States is impatient for South Korea to acknowledge its achievement and assume the responsibilities of an international economic power. Korea has hesitated. Growth has brought social upheaval, labor unrest, and escalating wage rates. New to economic success and still adjusting to an evolving democratic system, Korean officials suspect that the pace of growth and liberalization has been too rapid.

In working out their differing expectations, the two countries are restructuring their economic and political relationship. As Korea's military and economic dependence on the United States diminishes, the relationship is becoming more balanced, with Korea now able to reciprocate in terms of markets and investment opportunities. Politically, Korea is now also in a position to assume a greater share of its own defense burden, making it possible for the United States to begin reducing 7,000 of the 43,000 U.S. troops currently stationed there.

Reciprocal demands

Current strains in the U.S.-Korea relationship can be traced to the adjustment on the part of both countries to

Korea's phenomenal economic success since the mid-1980s. The greater economic muscle led the United States to demand reciprocity in markets and investment opportunities as well as accelerated economic liberalization. The United States has also wanted Korea to share the burden of adjustment in bilateral trade and payments imbalances. Korea, on the other hand, believes its economic success is so recent as to make U.S. demands premature and unfair. This dispute led to the first major discord with the United States in more than 40 years, culminating in the U.S. threat that it would list Korea as an unfair trader under the 1988 Trade Act's "Super 301" provisions.

The United States is asking that Korea increase market access by eliminating artificial and cultural barriers to market entry. A particular sore point was Korea's recent private campaign against luxury imports, under which department stores withdrew expensive imports from their shelves and closed down such brand-name boutiques as Bally and Burberry.

Multilaterally, the United States wants Korea's support and cooperation in the issues of market access, services and intellectual property, and agriculture. It wants Korea to do all it can to help make the Uruguay Round a success and offer creative solutions to the 15 issues under negotiation.

On its part, Korea has responded to U.S. demands with economic and political cooperation, accelerating its economic liberalization, appreciating its currency, and reducing its bilateral trade surplus more readily than has either Japan or Taiwan, the other two close trading partners of the United States in Asia. Thus, it halved its overall tariff rate between 1983 and 1989 and graduated from the GATT balance of payments protection, which implies complete elimination of import controls by 1997. Korea also substantially reduced its "negative lists" of restrictions on foreign investment.

Korea began appreciating its currency from 1986 onward, and in March 1990 switched to a "market-average" system of exchange rate determination. Its current account surplus fell sharply, from \$14.2 billion in 1988 to \$6.4 billion in 1989, and is projected to go into deficit this year. Correspondingly, Korea's trade surplus with the United States fell to about \$4.7 billion from \$8.7 billion in 1988. In the first four months of 1990, Korea's trade surplus with the United States decreased to \$1.4 billion from \$2.1 billion for the same period last year.

Politically, Korea also moved in the direction desired by the United States, switching from an autocracy to a pluralistic democracy in 1988. Korea's economic and political cooperation with the United States has not been without social cost. The move toward liberalization has been fraught with social difficulties, manifested in political demonstrations, labor strikes and disputes, and wage increases little paralleled elsewhere. Gener-

TABLE 1 KOREA'S GROWTH INDICATORS, 1982-1989

	Real GDP Growth %	Real Export Growth %	Real Gross Dom. Invn. %	Curr. Acc. Balance US\$b	CPI %
1982	5.7	6.5	-1.1	-2.65	7.1
1983	10.9	15.5	20.9	-1.61	3.4
1984	9.4	7.9	15.0	-1.37	2.3
1985	6.9	4.5	3.8	-0.89	2.5
1986	12.4	26.1	12.1	4.62	2.8
1987	11.8	21.6	15.1	9.85	3.0
1988	11.3	13.1	13.0	14.16	7.1
1989	6.9	-2.4	11.4	6.44	6.0

Source: Dri-McGraw-Hill, *Asian Review*, Third Quarter, 1989.

ally, however, the government has pressed on in the direction, if not at the pace, desired by the international community.

Korean government officials have assured the Americans of Korea's commitment to globalization, drawing attention to the long list of policy measures that have been implemented to liberalize markets. Although pacified, the United States has not been fully satisfied. Korea has asked for time to implement bilateral agreements such as those to strengthen intellectual property protection and enforcement, remove barriers to imported cigarettes and wine, and phase out quotas for imported beef. The bilateral agreements also include plans for comprehensive tariff reduction and liberalization of the foreign investment market.

Korean government officials assure the Americans they will keep to the stipulated schedule. They also ask for patience with economic and cultural differences. For example, to U.S. requests that Korea immediately abolish the import quota on beef, Koreans respond that a collapse in the domestic price structure might result, causing great discontent among the large number of small-scale farmers whose major capital assets consist of their two or three cows. As the agricultural sector constitutes some 11 percent of Korea's GNP and 22 percent of employment, discontent among farmers could not be ignored. On the campaign against luxury imports, to cite another example, Korean officials invoke the deep-rooted Korean sense of thrift, denying

TABLE 2
KOREA'S OTHER MACROECONOMIC INDICATORS

	GDP US\$b	Per Capita GDP US\$	Real Cons. Growth %	Real Import Growth %
1982	75.7	1,926	4.1	2.0
1983	82.3	2,061	7.2	10.9
1984	90.1	2,225	6.6	7.4
1985	92.9	2,263	6.3	-0.6
1986	105.9	2,548	8.2	17.8
1987	131.3	3,119	8.2	19.4
1988	171.3	4,016	10.0	12.2
1989	205.4	4,755	11.7	8.0

Source: Dri-McGraw-Hill, *Asian Review*, Third Quarter, 1989.

that the campaign was government-directed.

Adjusting to the new environment

The real challenge now lies in managing the U.S.-Korean relationship in a changed international economic environment that includes newly industrializing economies in East Asia, the fledgling Asia Pacific Economic Council (APEC), the ending of the Cold War in 1990, and the possibility of Korean reunification. Such circumstances demand new partnerships, new international relations, and expanded responsibilities. Along with these will come new markets, increased competition, new frictions and, possibly, real conflicts that will require major adjustments.

APEC, still in its infancy, will have important implications for bilateral relations when fully evolved, bringing new partnerships for both the United States and Korea and hence new international relations. Regional issues will gain in importance relative to bilateral ones. APEC is already enhancing trade and investment between Korea and its other members, in particular, those forming ASEAN. Korea's trade with and investment in such ASEAN countries as Thailand, Indonesia, and the Philippines have risen markedly in recent years. For instance, Korea's exports to Indonesia increased from \$179 million in 1985 to \$667 million in 1989. Exports to the Philippines increased from \$186 million to \$476 million in the same period.

The China factor

One of the more significant benefits of APEC's evolution is likely to be the membership of China, Hong Kong, and Taiwan, and hence Korea's closer economic relationships with these economies. A firmer link to the People's Republic would lessen Korea's dependence on the U.S. market. Korea has had its sights set on the gigantic mainland Chinese market since the 1978 opening to the outside world, and a closer relationship might distance Korea from the United States. Furthermore, in U.S. relations with a predominantly oriental region, cultural dissimilarities will assume an importance not found in bilateral relations or in relations with European countries.

Korea's strong interest in the success of APEC tells of the stakes involved for this dynamic East Asian economy. Not only has Korea actively promoted the Asian-Pacific regional cooperation program and worked hard for its success, but it has taken the lead in seeing to its progress. The commitment to host APEC's next ministerial meeting in Seoul in October 1991 is representative of that leading role.

TABLE 3, KOREA'S TRADE, 1982-1989

	Total Exports US\$b	Exports to U.S. US\$b	Annual % Ch.	Total Imports US\$b	Imports from U.S. US\$b	Ann. % Ch.	Trade Bal. with U.S. US\$b	Ann. % Ch.
1982	26.30	6.28	-	27.57	5.95	-	0.32	-
1983	29.37	8.26	31.4	29.71	6.27	5.4	1.98	503.8
1984	32.41	10.52	27.4	32.31	6.87	9.5	3.65	84.0
1985	32.11	10.78	2.5	30.94	6.55	-4.7	4.23	16.0
1986	40.80	13.92	29.0	34.35	6.54	-0.1	7.37	74.1
1987	54.77	18.38	32.1	44.20	8.76	33.8	9.62	30.5
1988	69.85	21.47	16.8	55.25	12.75	45.6	8.71	-9.4
1989	74.29	20.64	-3.9	67.21	15.91	24.7	4.71	-45.8

Source: International Monetary Fund, *Direction of Trade Statistics Yearbook*, 1989.

The ending of the Cold War has also greatly expanded Korea's horizons. The Soviet Union and Eastern Europe are no longer out of bounds for trade and investment. When Korean President Roh Tae Woo met in San Francisco with Gorbachev for talks on diplomatic relations, the two agreed to resume diplomatic relations, indicating Korea's heightened interest in and search for new markets and investment opportunities. There is much the Koreans can do, apart from prospecting for oil, natural gas, and other minerals in Siberia, to help with the restructuring of the huge Soviet economy and the economies of the former Soviet satellites. They can also contribute in the integration of the former Eastern Bloc countries into the free world market economy.

In the wake of the German reunification and the South's diplomatic success, joining with North Korea has become an increased possibility. If not overly burdened by exorbitant costs of reunification, a united Korea could play the role of leader in East Asia—a role that has been closed to Japan because of lingering hostilities over Japan's World War II atrocities.

Finally, the ending of the Cold War implies that markets, trade, and investment, rather than politics, will take center stage. In an economics-dominated world arena of the post-Cold War era, Korea has all it takes to be a major player. It should no longer hesitate.

Dr. Chwee Huay Ow-Taylor is an economist of the Washington, D.C.-based Korean Economic Institute.

TABLE 4
ANNUAL RATE OF WAGE INCREASE, JAPAN AND EAST ASIAN NIES, 1986-1989

	1989 %	1986-1988 (Avr.) %
Korea	18.7	11.2
Japan	5.2	2.5
Taiwan	12.0	9.3
Singapore	6.0	2.8
Hong Kong	n.a.	10.9

Source: Bennet (1990)

AID's SUCCESS STORY IN THAILAND

An assessment after 40 years

ROBERT J. MUSCAT

An island of relative stability in Southeast Asia, Thailand has enjoyed a rapidly growing economy and has been an ally of the United States for four decades. Over this entire period Thailand has received development assistance from the United States (as well as from other countries and international agencies) and American foundations. In the earlier years of post-World War II development, U.S. aid was predominant among external aid sources. Generally speaking, the U.S. aid program did achieve its overall objectives and was an effective instrument for enhancing U.S.-Thai relations.

Foreign aid usually gets poor press. Critical authors have proffered broad generalizations despite the vastly heterogeneous experience of foreign aid, the diversity of its content over time, and the very different contexts in which aid programs have operated from continent to continent and in well over 100 countries. Despite the importance of aid as an instrument of U.S. foreign policy, very few studies have examined the role and impact of aid in individual countries over extended periods of time.

Thailand provides an illuminating case for such a study. It ranks near the top of World Bank indices of growth performance and quality of economic policy.

Furthermore, Thailand's aid flow makes it typical of aid recipients; major aid recipients, such as South Korea and Taiwan, were provided with large-scale aid that substantially augmented their own resources and the investment and import capabilities of their economies. The more typical aid to Thailand was small in relation to domestic resources and was allocated mainly to individual projects for technical assistance, institution-

Almost all the Thais—academics, active and retired officials, and business people—interviewed in early 1989 during research for the book on which this article is based thought that training was the most important and enduring contribution the U.S. program had made to the country's development. Since much of this training was concentrated in individual academic and government institutions and agencies, the long-term effects on the development contributions of the assisted organizations can be observed. Extended U.S. training, especially for advanced degrees, has apparently had substantial effects on the broad social and political orientation and work ethos of the trainees as they have risen to senior positions.

building, and (in the early years) infrastructure. Thus, an examination of the program's impact must scrutinize the individual problems and sectoral objectives, as well as evaluate the major projects that were designed to achieve these objectives.

Since its inception in 1950, the U.S. aid program in Thailand administered by the U.S. Agency for International Development (and predecessors) has amounted to a little more than \$1 billion plus another 10 percent or so for food aid, the Peace Corps, and other such projects. In most years the program fell into a range of \$15-35 million. It had a relatively low period between 1972 and 1978 and peak years between 1966 and 1969. The individual projects numbered in the hundreds, leaving a long paper trail. We can examine the record of success or failure according to three measures: 1) specific goals in institution-building, health, transportation, agriculture, and other sectors; 2) the program's role in counter-insurgency; and 3) pursuit of overall strategic objectives at the heart of the relationship between the two countries.

Instrumental goals

THE FIRST PERSPECTIVE IS THE EASIEST. OVER THE FOUR DECADES U.S. aid projects can be found in virtually every sector of the Thai economy. Scores of government departments and agencies, educational and financial institutions, and other facilities received technical assistance, training, and advanced education for staff plus modest amounts of equipment and financial support. More than 11,000 Thais were trained in the United States and third countries. Tens of thousands more received training either in aided educational facilities in

Thailand or during the course of project implementation, for example, while operating equipment on a highway construction project. Some projects were aimed at creating or strengthening educational institutions. Others were designed to raise the capability of government units responsible for infrastructure development, health, educational, and economic services central to development, or for broad aspects of public sector efficiency. A series of projects over the years assisted promotional and financial services that supported private sector development. In the earlier years substantial funds were provided for infrastructure—selected main highways, air transport, electric power, and irrigation.

Generally speaking, these activities had two related objectives. The direct objectives of most (non-infrastructure) projects—to provide training and build institutional capacity—were what might be called instrumental goals. At a second level, these instrumental capacities were applied to the achievement of specific development objectives, such as controlling malaria and other diseases, promoting foreign investment, planning and managing infrastructure investment and maintenance, developing high-yielding seed varieties, increasing the reach and effectiveness of agricultural extension services, raising the fish catch, expanding family planning services, improving economic policy research, and so on.

For most of these projects the record is clear. Many of the specific development objectives have been achieved. The population growth rate has been halved, malaria has been reduced to a minor public health problem, an army of teachers has been trained to provide nearly universal primary education, and investment/institutional programs have laid the basis for subsequent development of portions of the country's economic infrastructure. Other efforts clearly failed: irrigation in the northeast region accomplished little (to cite one example) and efforts to decentralize bureaucratic authority from Bangkok to provincial and local jurisdictions had only minor impact.

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tial—though difficult to document—effects on the broad social and political orientation and work ethos of the trainees as they have risen to senior positions. It is striking that approximately 40 percent of the officials occupying senior (non-security) decision-making positions in the Thai government in 1986 had been participant trainees under the U.S. aid program, many in degree programs in American universities. The percentage would be higher still if it included recipients of training grants from Fulbright, Rockefeller, Ford, and other U.S. foundations. In addition, organizations that received technical aid under the U.S. program have shown long-term vigor and have made important contributions to the country's development.

Alleviating poverty

ALTHOUGH THE ALLEVIATION OF POVERTY BECAME A MAIN theme of aid legislation beginning in 1973, the Thai program had concerned itself with poverty reduction from the early 1950s. As with many later aid programs of other Organization for Economic Cooperation and Development (OECD) countries, U.S. aid tended to focus on the northeast region of Thailand—the country's poorest area and the region most exposed to the instabilities and security problems posed by the nations of Indochina. Donors saw reducing poverty in the Northeast as an important component of internal security strategy.

Northeast poverty stemmed from two principal factors: physical isolation and poor natural resources. While the Northeast continues to lag behind the rest of the country, incomes have been rising over the years. Poverty has been reduced by greater availability of potable water, improved quality of village housing, greater accessibility of health and education systems, and availability of transport and communications services. Economic and social mobility and the quality of life in general have improved.

Some of AID's projects, especially in health and transportation, have made demonstrable contributions to advancing living standards of the poor in the Northeast. In what may seem like a paradoxical outcome to the proponents of the poverty-oriented changes of the 1973 legislation, the impact of earlier (so-called trickle-down) infrastructure projects on Northeast incomes appears to have far outweighed the effects of post-1973 projects (e.g. in rural development and in decentralized local planning systems), which were

specifically designed to target the poor rather than rely on broad economic growth to alleviate poverty. Needless to say, the story of income growth in the Northeast has been bound up with a complex of domestic and external factors among which aid programs have exerted a significant but not decisive effect. Seen from the appropriate perspective, U.S. aid activities in the Northeast have included some clear successes related to income and welfare advances, accompanied by some fairly clear failures, for example, in land settlement and in irrigation, as previously noted.

The domino that never fell

THAILAND'S INTERNAL SECURITY PROBLEMS—AN INSURGENCY led by Vietnamese-trained cadres of the Communist Party of Thailand (CPT) and supported by Vietnam and mainland China—began in the late 1950s, peaked in the late 1970s, and collapsed in the early 1980s. The Thai domino never fell partly because of the CPT's inability to develop a large-scale insurgency based on wide rural support. The reasons for Thailand's success in this struggle are complex and have been hotly debated by Thai and foreign political analysts.

For example, some critics at the time charged that the counterinsurgency projects assisted by AID would alienate rather than win over peasant hearts and minds by facilitating village visits by arrogant provincial officials. Such fears proved groundless. Instead, the insurgency fell because of a mix of factors: the split in the CPT and withdrawal of Chinese support, the Thai government's increase of the volume and quality of rural programs, and its focus on amnesty rather than coercion.



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Given the now incontestable results, hindsight suggests that some of the AID-assisted components of the counterinsurgency effort (for example, in-service training of provincial and district officials and equipment and budget support for rural road construction) made important contributions to the government activities that were aimed at sustaining villager loyalty and denying to the CPT the potential for capturing and mobilizing rural discontent.

Development and political opening

FROM THE VERY FIRST PRESENTATIONS to the Congress in the early 1950s, successive administrations have argued that development assistance would help realize Thailand's strong development potential. Thailand's stability and market-oriented economic policies were also expected to have a spillover impact on the country's turbulent neighbors. In fact, most of the AID projects made significant contribu-

tions toward Thailand's relatively outstanding development process.

Mutual U.S.-Thai security objectives have also been achieved. Internally, after a period of authoritarian reaction in the mid-1970s, Thailand reestablished its social stability in the context of increasingly pluralistic, albeit imperfect, political processes. Regionally, the dominoes are falling in Thailand's direction, propelled by powerful international currents to be sure, but also strongly influenced by Thailand's growing economic strength in contrast to the failure of command economics in neighboring countries. A growing political science literature exploring the relationships between economic development and democratization looks at Thailand as one exemplar of modern economic development that has created conditions favorable to political pluralism (although the relationship is certainly not inevitable). The relationship arises out of several factors, the first being sheer economic complexity. Middle and professional classes have emerged that are capable of running a

modern economy increasingly beyond the managerial competence of the military elite, while a proliferation of economic interest groups and newly articulate consumer, village, provincial, and non-governmental activist organizations have fostered democratic institutions. In Thailand, those optimistic that development will lead to stronger democracy also point to the powerful cultural preference for accommodation rather than polarization, grounded in Buddhist moderation, and the increasing transparency of public affairs, thanks to a relatively free press.

The centrality of training

THAILAND'S EXPERIENCE HOLDS IMPORTANT lessons for developing countries and for foreign aid. U.S. aid was demonstrably a significant factor in Thailand's signal success. The salient characteristics and contributions of that aid were continuity of purpose and presence; a strong role for AID's country mission in program definition and implementation; and Thai confidence that American development assistance (in sharp contrast with some other aid sources) was driven by professionalism and a relative absence of commercially self-serving objectives.

As for program content, the most pervasive and long-lasting contribution was the creation of human capital and the development of a wide array of Thai institutions. While U.S. aid was marginal in size, these institutions, manned and often directed by U.S.-trained participants, have been central to the planning and management of Thai development policy and programs. The training and institutional linkages with the United States have also cumulated into a rich legacy of good will that affects other dimensions of U.S.-Thai relations. ■

*Robert J. Muscat, who retired from AID in 1981, is a visiting scholar at the East Asian Institute at Columbia University. His most recent book is *Thailand and the United States: Development, Security, and Foreign Aid* (Columbia University Press, 1990).*

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IN Vignettes

David T. Jones

Welcome to Geneva

The newcomer arrives in Geneva. A basic question is where to stay. The trade-offs are proximity to the U.S. mission or price. The closer to the mission, the more expensive the accommodations. After weighing the best local advice, the newcomer chooses the hotel "Mon Repos."

Upon entering the hotel, the newcomer is greeted and bag and baggage in hand, escorted immediately, via a small creaking elevator to his seventh floor room. The effect on entering is virtually like a blow. It is without question the deadeast room he has ever entered. Without a single ostensible fault, the psychology of the room is remarkable.

- All brown. Brown threadbare rug. Brown bedspread. Tan walls.
- Battered furniture (brown, naturally), featuring a brown lacquered armoire serving both as dresser and closet.
- No pictures on the walls, not even the traditional undistinguished reproductions.
- No TV; no postcards, envelopes, or paper; no "sundries;" dull lighting; and walls thin enough to transmit the intimacies of neighboring life.

In short, there is nothing that could be stolen. There is virtually nothing that could be additionally damaged or worn by anything less than deliberate strong-armed action.

But clean. Yes, clean, clean, clean as only Switzerland can produce. A room whose life has been cleaned away. A bathroom that could have been a surgical operating room. A husk available

David T. Jones was special assistant to Ambassador Glitman during the INF end game.

to greet the next client. And the next, and the next.

"Well," he says to himself, "this room is not going to give me anything when I get back at night."

And since he will shortly be working a minimum of 13 hours a day, seven days a week, little is required.

Welcome to Geneva.

✱

The Bubble

The secure area in which the INF delegation holds its confidential conversations is informally called "the bubble." Such conversations are protected from Soviet electronic eavesdropping. As one might imagine, the delegation spends considerable time in the confines of this room, and various informal protocols develop over the months and years of "bubbling."

A newcomer arrives and takes a convenient empty seat.

Shortly thereafter, the INF delegation lawyer, a notably talented woman whose self confidence could be mistaken for arrogance, enters.

Her first words to the newcomer? "Out. It's my seat."

Welcome to the bubble.

✱

The Altar of Tack

American culture is frequently scored as tawdry, crass, commercialized, or just plain tacky. But is the United States alone guilty of questionable taste? Upon viewing elements of European culture, the U.S. INF delegation came to a corporate judgment that select Continental items might also qualify for the designation. They determined to preserve selected samples, if not for posterity, at least for the moment. Qualification criteria were flexible: items were to be small, cheap,



Illustrations by Margaret Scott

and distinctive, in short, something a traveler might encounter during normal shopping. Thus the Pompidou Center in Paris did not qualify. Pure obscenity was frowned upon, but the clever skirting of ill taste became a delegation delight. A bookcase in the office of a popular delegation member slowly became the repository of such mementos, and thus "The Altar of Tack" was born, incorporating, inter alia:

- a battery-powered, blinking light bow tie
- a box featuring a Swiss alpine scene and a cow, which, when inverted, made a noise roughly equivalent to "Moo"
- a Soviet teapot of remarkable dimensions and striking orange and black design
- an all-day sucker bearing the features of Pope John Paul II
- the traditional Belgian statue "Manneken Pis" of a naked little boy with a corkscrew substituted for the prominent organ; and
- assorted toy dolls, swizzle sticks, post cards, invertible snow scenes and light-up gadgets.

Over the weeks, the "altar" generated much comment and delight from visiting dignitaries as well as delegation members. Recent additions were commented upon and judgments passed on whether this material was up (down?) to existing standards. The romantic inclinations of various toy dolls were discussed. Slowly the conclusion was reached that the collection should be made permanent. Rumor has that it has been offered to the Department of State for permanent exposition. Pending.

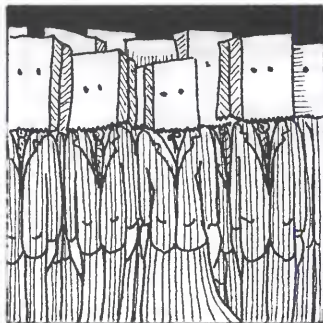
ing such decision, the still expanding "altar" remains housed in a private office.



It's in the Bag

Time for formal delegation photos. It was the day for officially recording on film the group photos of those present in Geneva for the negotiating round. The photo would join the long line of round-by-round photos that had marked U.S.-Soviet nuclear negotiations in the 1980s. Later in the session, the Soviets would join the Americans for the ritualized, rictus-like smiles that characterize such official photographs. Some Soviets, apparently unwilling to be photographed on intelligence agency biographic files, never appeared.

But first the Americans. The photographer posed the delegation and shot photos. And shot still more photos. The delegation fidgeted. Substantive issues were still unresolved, and pressure was rising for agreement. The Soviets were due to arrive momentarily for joint photos.



A final photo. A last blast from the flashgun.

But no. "Wait a minute," said the executive secretary moving swiftly to a previously unnoticed box. He opened it and distributed scores of paper bags with eyeholes marked "INF." A now semi-hysterical delegation could hardly get the bags over their heads. "If we make it, we'll use the first photo. If not, the second." Like NFL fans, the INF delegation was now able to become anonymous. The ultimate question for the delegation, "Will we

succeed?" had become a tension-defusing joke.

From then on, the treaty was "in the bag." And both photos hang on many walls.

Rituals

Much of a negotiation is formalized exchange of papers and positions. In semi-predictable manner, statements are made; and debating points are scored (and recorded for the diplomatic archives). But ritual is not only apparent on glossy paper or in the orotund platitudes of formal speeches. It lives in dozens of trivial actions that mark the day-to-day ambiance of a negotiation but rarely enter the official record. The mind's eye recalls in a series of frozen tableaux a group of such rituals:

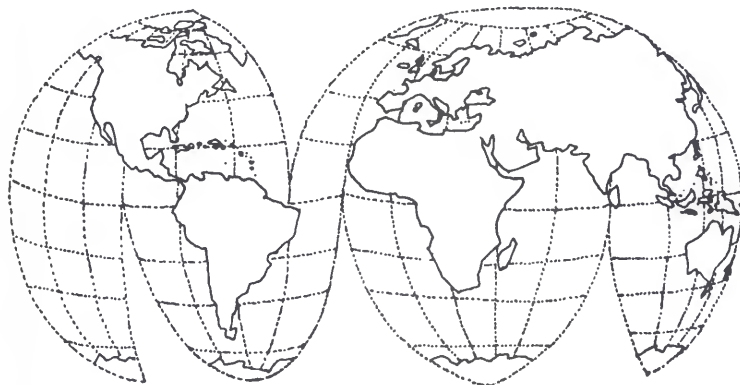
- *The Russians are Coming!* The U.S. and Soviet delegations are at each other's diplomatic missions on an alternating basis. The respective establishments are housed on a hill on the outskirts of Geneva with the Soviets closer to Geneva. Thus we are "up the hill" and the Soviets

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"down the hill." Like mice trapped on a metronome, the delegations yoyo up and down the hill. As the pace heightens and working groups multiply, the delegation needs a daily scorecard to tell whether they are coming or going and who is where.

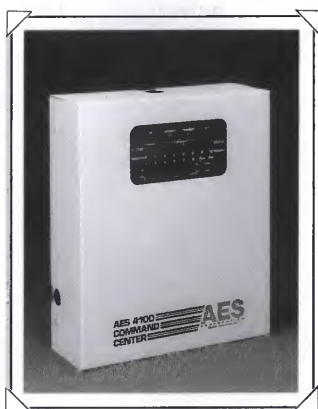
- **The Arrival Scene.** The U.S. is host. The American delegation is arranged at the mission entry as neatly in delegation rank order as a Kremlin Red Square lineup. Space is reserved for the occasional latecomer to dash into place in line, still pulling on a suit jacket and/or adjusting a tie, as the Soviet black sedans swing into the mission courtyard.
- **Conference Rooms.** The American conference room is standard U.S. government: moderate size; attractively furnished; designed for work. The Soviet's is designed first for show with 20-foot ceilings; crystal chandeliers; and plush drapery. Mercifully the seats in both conference rooms are well cushioned, and the discomfort of hours of negotiation is only mental, not physical as well.
- **Setting the Table.** Yellow legal pads and No. 2 pencils sit before each seat. The Soviets counter with unlined paper and pencils without erasers. The Soviets tend to "borrow" our pads and pencils. Refreshments are also ritual. "Would you like a cup of coffee?" at the start of the meeting. The delegations mingle momentarily at the end of the room, pouring juice or coffee. But as the weeks wear on and hours draw longer, refreshments become nourishment: cookies for breakfast; peanuts for lunch; onion dip for dinner.

A Meeting

Teams were arrayed on opposite sides of the long, immaculate table. The centered ambassadors faced one another. The initial cups of coffee were drawn from steaming samovars, pencils fiddled with, note-takers were poised. Prepared statements and talking points are readied for deployment, preliminary niceties exchanged.

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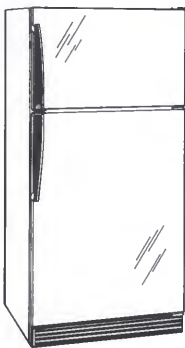
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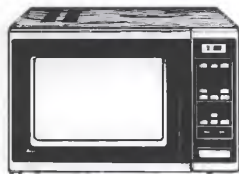
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groups lay behind. Unknown numbers were ahead. Official reporting has trapped them all for the "ultimate graduate student," who in the year 2000 will begin to track his way through the labyrinth of documented words. Beyond the serious substance there were other memories:

- *The Notes.* Encouraged by the ambassador, the U.S. delegation regularly passes him notes and comment. "Keep those cards and letters coming" was his philosophy. A few quickly jotted words to point out a flawed Soviet argument or reinforce a U.S. position are the usual content, as the United States presses daily for movement. This group participation, unspoken as it is, always seems to irritate the Soviets, who, without ever saying so, give the impression that we are coaching unfairly from the sidelines. (The Soviet side never passes such notes to their ambassador.) Of course, all notes are not serious. "Is his nose growing?" "Here we go again." "Pizza tonight?" were also exchanged.

- *The Interpreter.* Far more than a translating machine, the U.S. interpreters are vital elements of the negotiating team. In contrast, the Soviet interpreters sometimes appear to be still in training, minor league AA players suddenly given a World Series slot, and can be subject to rough correction by the Soviet ambassador ("That's not what I said.") Deep into the end game, the delegations are anticipating a mini-summit between ranking officials from Washington (Ambassador Kampelman) and Moscow (Deputy Foreign Minister Vorontsov). U.S. and Soviet delegations are attempting to resolve/clarify outstanding issues. The Soviets press a point, and Ambassador Maynard Glitman fends them off while scoring rebuttal arguments to reinforce the U.S. view. In a moment of silence, the U.S. interpreter hears a whispered Russian exchange, "Drop it for now. We'll get it past Kampelman tomorrow." Opponents forewarned, they didn't.

✱

Shall We Give Thanks

Thanksgiving is the most family-oriented of American holidays. The thoughts of turkey, cranberry sauce, and "all the trimmings" evoke Norman Rockwell images of a shared heritage that even high-tech, eve-of-the-21st century America accepts as its norm. But in November 1987, the INF delegation was far from home, and none would consider proposing a holiday, as for weeks each side had been vigorously working through each other's holidays, not to mention Saturdays and Sundays. And the implicit early December deadline for the Washington Summit was moving ever closer.

Nevertheless, Ambassador Glitman and his wife had looked beyond the workaday grind. Sensing the delegation mood, they planned a dinner at their home on the Sunday before Thanksgiving. Although planning to leave for Vermont to organize Thanksgiving for their five children, Mrs. Glitman first assembled a "traditional" dinner for the INF delegation. It was a short, 10-hour working day, and little by little the delegation assembled at the Glitmans' for a rare social occasion.



As the evening drew to a close, the delegation gathered to the fireplace and, as guitars appeared, sang a wide selection of classic American folksongs. Unanticipated talent appeared. Mike Glitman, showing a previously unknown and surprising skill on the guitar, punctuated the moment with a song for his wife alone—that we also were privileged to hear.

On Thanksgiving proper the delegation worked until 8 p.m., and the

ambassador ate a very late dinner with his chauffeur.

A Moment at Midnight

It was midnight in the U.S. mission on 6 December, and time to initial the completed INF treaty and its Elimination Protocol. The first two of the four treaty documents had completed the rigorous process of preparation on official treaty paper in both English and Russian and were ready for "initialing" by the U.S. and Soviet ambassadors. By placing their initials on each page, the ambassadors indicated that the text was agreed. Ahead lay the ceremony of presidential signature, White House pomp and circumstance, and the sonorous tones of history marching to its documented drumbeat.

There was a mixture of magic and mundane. The room was ablaze with light. The U.S. team, many hearing at the last minute that there would be an initialing ceremony, had gathered. The team that had "done the treaty," all who were awake and available: officers, secretaries, support technicians, interpreters were there for the highlight of their Geneva experience.

The American negotiator, informal, as befit a midnight mission, in flannel shirt and sports jacket, initialed each page with a separate pen. The delegation's executive secretary, quietly preparing for the moment for weeks, had purchased scores of pens each appropriately inscribed "INF Treaty 1987."

The Soviet ambassador initialed steadily in quiet formality. He appeared satisfied rather than exhilarated.

Still later there was champagne—with a taste of salt.

Long Flight Home

It was the morning of 7 December, the anniversary of Pearl Harbor; 46 years removed, although few ventured it a thought. The INF delegation was packed and moved from hotel rooms and apartments. Some had been ready for hours; others for days.

The corridors of the mission were virtually filled with bags of confettisized shreds and the rubble of carry-out "fast food" that had sustained the delegation over the final week. All-American products were in

the piles: Pizza Hut, Burger King, Kentucky Fried.

Awaiting the delegation was a camouflaged C-141 Air Force cargo transport specially detailed to bring the delegation back together along with personal effects and scores of boxes of classified documents. And accompanying the U.S. delegation were the Soviets. The final treaty details, the checking and rechecking of the text, had absorbed so much time that the Soviets were unable to secure commercial transportation that would get them and the Soviet copy of the treaty to Washington before Gorbachev and the rest of the Soviet official delegation. Always hospitable, the U.S. delegation offered the Soviets a ride. So Ambassadors Obukhov and Medvedev (the latter an army general) and a shy, petite secretary who reportedly had typed every word of the Soviet draft treaty through its multiple revisions were perhaps the first Soviets ever to fly on a C-141.

The C-141, bigger than a box car roaring through the skies, was not your Pan Am 747! To the earplugged passenger it sounded like flying inside a demented vacuum cleaner. But most were past caring. Draped over the temporary seats the bulk of the delegation slept the sleep of the exhausted.

Slowly, however, others became aware of still more history in the making. The memorandum of understanding and the inspection protocol were being initialed—making INF the first treaty initialed in the air. Again an occasional camera flashed. And then it was done with a smile, a handshake, and a few words of congratulation.

Slowly the hours passed. There was a desultory bridge game. Noise quickly aborted the efforts of a delegation guitar player. A preteen-style pillow fight enlivened the final hour. And the U.S. pilot maneuvered through air traffic control over Andrews AF Base to bring the delegation C-141 down before the Aeroflot craft carrying Gorbachev, which arrived virtually simultaneously.

The plane was on the ground. The delegation was greeted by family, friends and Washington INF colleagues. The treaty was now ready for history—and the Senate. ■

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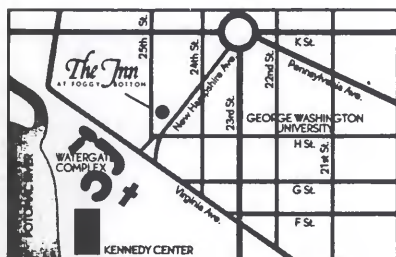
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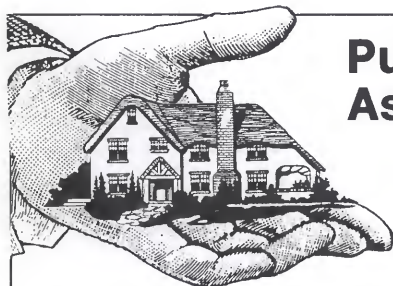
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BOOKS

LOSING FACE:

STATUS POLITICS IN JAPAN

By Susan J. Pharr, University of California Press, 1990, \$25 hardcover

SAME BED, DIFFERENT DREAMS: AMERICA AND JAPAN—SOCIETIES IN TRANSITION

Edited by Alan Romberg and Tadashi Yamamoto, Council on Foreign Relations Press, 1990, \$14.95 softcover

Reviewed by Charles A. Schmitz

It is a sign of these post-Cold War times that our bilateral relations with a close ally like Japan are seen to turn less on looming international issues than on the social and cultural oddities of the two countries. We are annoyed, for example, by Japanese commercial swaggering that seems to say, "We Japanese can buy anything we want; it's just too bad that your American products are not good enough for us to buy more." The Japanese, on the other hand, are irritated by our political bullying if Japan does not get behind the program of the moment, whether it is buying American goods, opening Japanese markets, increasing military spending, or helping out in the Middle East. As superpower tensions recede and more normal international relationships come to the fore, culturally rooted differences between Japan and the United States can only be expected to sharpen.

Adversaries—or even friends who quarrel—should know how the other side fights, and countries need to know how other powers handle their problems. Susan Pharr's *Losing Face* looks at three case studies of conflicts in Japan: young politicians breaking away to form a new national political party, female office workers in Kyoto rebelling against their tea-pouring role, and Burakumin outcasts agitating for a special study



group in a Hyogo Prefecture high school. The cases are nicely chosen: they concern politics, social behavior, and social structure. They resolve into cases about discrimination against age, sex, and caste, all jostling inside a homogeneous culture that stacks the deck in favor of loyalty, duty, harmony, and group effort, and generally against rocking the boat.

Pharr does not present Japan's management of social conflict as a model for other countries to follow. She notes, however, that "Of those strategies favored by Japanese elites, the one perhaps most worthy of study outside Japan is the creative use of delay in the final stages of a social conflict. . . . [A]uthorities in the U.S. have a long record of resorting to coercion when social conflict arises—a strategy that has often backfired and contributed to the protesters' ultimate success in mobilizing support for their cause." Thus, depending on how the current Persian Gulf crisis is resolved, there might be a message in this book even for American diplomats.

Pharr's writing style is generally engaging. It is damaged, however, by intrusions of sociological cant ("But, as resource mobilization theory establishes so well . . .") and by frequent references to ancillary readings ("In this, advocates in Japan as elsewhere accept a view of egalitarianism that is consistent with Samuel P. Huntington's . . .") that give this book the anxious air of a doctoral thesis rather than the confident telling of a tale truly discovered.

Same Bed, Different Dreams is a good book but probably misnamed. The dreams are different all right, but the essays show less that these two nations are sleeping in the same bed than that they are in separate houses, maybe in separate neighborhoods.

This group of essays is derived from an international conference bringing together pairs of Japanese and American experts to write about the same subjects—changing social attitudes, corporate cultures, and modes of policymaking. The result is a compilation of well-founded and perceptive descriptions of what is happening in the two

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countries. The survey of American attitudinal changes chronicles race relations, child-rearing values, religion, and liberal versus conservative attitudes. The piece on Japanese attitudes observes the cultural importance of instant gratification, maintenance of the status quo, marriage, divorce, male and female roles, and nationalism. It is no surprise that the concerns of each country within these areas turn out to differ radically.

The contrasts in the corporate setting are also striking. U.S. corporations suspect that the Japanese are out-competing them but are not willing to make the basic alterations in workplace roles and expectations necessary to rise to their competition. On the other hand, Japanese corporations in the United States (those in Japan are not discussed) are struggling to handle the wealth, visibility, and community power of their success here but cannot see past their firm conviction that what's good for Mitsubishi is good for Michigan.

The third pair of essays is the most (morbidly) interesting for the political scientists among us. The Japanese author is concerned with the post-war

success of high-ranking former bureaucrats assuming high political leadership, while the American author observes that politicians in the United States shunt away seasoned civil servants from important policy issues, leading to distrust and discord between those who make and those who implement policy.

In his introduction, former Foreign Service officer Alan Romberg grapples manfully with the writhings of his increasingly intertwined topics and demonstrates that Japan and the United States inhabit the same planet and ought to know more about each other. But sleeping in the same bed? Hardly. We sleep in beds; they sleep on the floor, on futons, with pillows stuffed with buckwheat husks, and five to a room.

Both books deserve a careful reading by the Chrysanthemum Clubbers. For the rest of us, *Same Bed* has a good amount of the trenchant but transitory, while *Losing Face* can be a resource for years to come.

Charles A. Schmitz, a former Foreign Service officer who has served in Japan, is AFSA vice president and director of the Outreach Program.

TOKYO RISING: THE CITY SINCE THE GREAT EARTHQUAKE

By Edward Seidensticker, Alfred A. Knopf, 1990, \$24.95 hardcover

Reviewed by Jack H. Shellenberger

Tokyo Rising is a rich and unique conglomeration of sights and insights as witnessed in Tokyo's evolution from the wasteland of the 1923 earthquake, through the Pacific War years (as the Japanese call them), and rising, rising to today's society. Following upon an earlier work, *Low City, High City*, Seidensticker has produced yet another wondrous and readable evocation of a city alive with sounds, tastes, and cultural diversity.

Each of the city's famed localities is examined in turn with an eye to its subculture and after-dark pursuits: Asakusa, for its theatres and geisha; the

GINZA, for its cafes, teahouses, and the *kabuki za*; Shinjuku, for its sex industry; Sanya, for its homeless; and Roppongi, for its discos. His cast of players and commentators includes prostitutes, criminals, vaudeville troupers, poets, and beggars, and he weaves into his narrative prose quotes from such master novelists as Kawabata, Tanizaki, and Kaifu. The Doolittle bomber strike against Tokyo in April 1942 is described from an on-the-ground perspective, and Seidensticker recounts how charms, such as keeping goldfish or eating rice and pickles for breakfast, were invented to ward off bombs.

"Not much is old in Tokyo, but the street pattern is, and it makes Tokyo seem warmer and cozier" than Japan's other major cities. Gone now is the old canal system that travelers likened to that of Venice. Cinders from the bombings filled them and new construction oblit-

BOOKS

erated their last traces. The years of the occupation spawned thriving black markets that evolved into the distinctive shopping centers of these days.

"Officially, the recovery of Tokyo from the great earthquake was accomplished in less than a decade," Seidensticker writes. No such planning has been done since the war. "The building has gone on and on."

Seidensticker also introduces us to Americana in Tokyo, including the advent of *depatto*, or department stores, and the delirium over baseball. When war came, the heretofore American terms strike, ball, and pitcher were ordered to be translated into Japanese, "as if the game had never been anything but a Japanese past-time." After the war, the English words were restored.

Seidensticker is not optimistic about the changing face of the city he knows so well. "When the United States was

the moneyed country of the world, it created the grandeur of New York. When the maritime countries of western Europe had money, they put together the low, subdued harmonies of Amsterdam, London, and Paris. Tokyo will have unprecedented concentrations of communication and information, but these do not immediately meet the eye. What will be unlikely to have either grandeur or harmony."

Tokyo Rising is not only a gold mine of urbanism, the text is accompanied by dozens of black and white photographs that add a vivid dimension to the absorbing commentary. Seidensticker's captions are wry: "A *kabukicho* eating and drinking establishment unfortunately named." The restaurant's name? "Cafe of Cancer."

Jack H. Shellenberger, who served nine years in Japan, is dean of the School of Area Studies at the Foreign Service Institute in Rosslyn, Virginia.

GENERAL REINHARD GEHLEN: THE CIA CONNECTION

By Mary Ellen Reese, George Mason University Press, 1990, \$19.95 hardcover

Reviewed by Andrew L. Steigman

In the murky world of spies and spying, truth often seems stranger than fiction. Put the spies into the hothouse atmosphere of Germany in the immediate post-World War II years, with the Russian bear growling ominously in the East, and you have the dramatic setting for Mary Ellen Reese's cautionary tale about General Reinhard Gehlen, once Hitler's military intelligence chief on the Russian front and later head of the BND, the CIA's West German counterpart.

With the pacing of a novelist, Reese—co-author of *Breaking Cover*, a 1981 best-seller on the White House Military Office—tells in this new book how Uncle Sam, in the name of anti-Communist expediency, adopted Gehlen and put him to work first for Army intelligence and later for the CIA. Un-

fortunately, they let him operate under such a loose rein, even under military occupation, that his organization became easy prey for Soviet penetration, which took the West nearly two decades to expose.

Gehlen, the central figure in this bizarre drama, got at least as much out of the relationship as did his American patrons. As Reese aptly puts it, "While the single-minded Americans were exploiting the knowledge and experience of their captured asset, Gehlen was exploiting the leverage that relationship gave him to further his own agenda"—to rehabilitate as many as possible of his General Staff colleagues for the new German army, and to make himself the FRG's first intelligence chief.

In writing about this murky world, Reese has made effective use of original documents and interviews with former intelligence officers to produce an authoritative account that reflects little glory on the officials, first American and then German, who gave Gehlen such a free hand. Some of her revelations boggle the mind. Though under supposed

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American control, Gehlen successfully resisted sharing with his nominal masters the identities of most of his agents, a few of whom were ex-Nazis and several of whom turned out to be Soviet plants. Unable to shake Gehlen on this point, the Army simply gave in to him. The CIA later mounted its own intelligence operation in an attempt to identify the agents whom Gehlen was concealing from them. As Reese wryly comments, the CIA, "finding itself in the bizarre position of having to spy on the organization of which it was the sole support . . . broke out the tools of its trade."

Infighting among U.S. intelligence agencies at that time was fierce. After "control" of Gehlen's operations had been taken over from the Army by the CIA, U.S. Army counterintelligence mounted its own unauthorized secret investigation of Gehlen in search of the Soviet spies it believed had penetrated his organization. Though they found important evidence that such penetration had occurred, they could neither use the evidence themselves nor share it with CIA, since their entire operation was

illegal. Presumably their satisfaction at proving themselves right made it all worthwhile.

Reese herself is cautious in evaluating the long-term American relationship with Gehlen and his organization. She carefully notes that professionals still disagree sharply in assessing the Gehlen balance sheet. While most of them agree that Gehlen "gave the Americans at least some of what they wanted," critics argue that he "manipulated the Americans from the start" and that the subsequent revelations about ex-Nazis and Soviet agents proved "the whole undertaking had been bankrupt" from its inception.

In the end, Reese contents herself with the ambiguous conclusion that "intelligence is not a game of winners and losers," but rather "a game of advantages, points gained." Thus, she leaves her readers to ponder the questions raised by her tale of espionage and intrigue, and to decide for themselves the appropriate limits of political expediency.

Andrew L. Steigman is assistant dean of the School of Foreign Service at Georgetown University.

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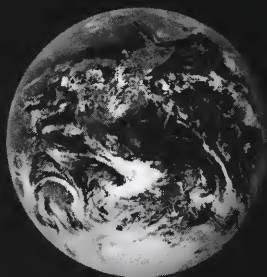
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H O U S I N G

IN MEMORY

WILLARD LEON BEAULAC, 91, died of Alzheimer's disease on August 25 in Washington, D.C.

Mr. Beaulac joined the State Department in 1921 and held consular posts in Mexico, Haiti, Chile, Honduras, and Nicaragua. His first ambassadorial assignment was to Paraguay in 1944. Three years later he served as ambassador to Colombia, and from 1951 to 1953 he was ambassador to Cuba. Before his final ambassadorship in Argentina, he spent three years as ambassador to Chile. His last assignment before retiring in the early 1960s, was as deputy commandant for foreign affairs of the National War College.

In addition to *Career Ambassador*, published in 1951, Mr. Beaulac authored *A Diplomat Looks at Aid to Latin America*, *A Career Diplomat, The Fractured Continent*, and *Franco: Silent Ally in World War II*. He also contributed articles to the *Washington Post* and other publications.

Survivors include his wife of 55 years, Catherine "Carroll" Beaulac of Washington, D.C.; a son, Willard Jr., of Naples, New York; three daughters, Noel Peters of Boie, Joan Zachor of Lexington, Massachusetts, and Nancy Beaulac-Bonneau of Fort Worth, Texas; and 13 grandchildren.

FITZHUGH GREEN, 72, died of heart ailments September 5 at Newport Hospital in Newport, Rhode Island. He lived in Washington, D.C.

In 1954 Mr. Green joined USIA where his foreign posts included Laos, Israel, and Zaire. He was also assigned to the United Nations in New York. From 1968 to 1970 he served as deputy director for Far East operations.

Included in his varied professional activities were his candidacy for a Republican congressional seat from

Rhode Island, his term as an instructor at Georgetown University's School of Foreign Service, and his authorship of a biography of President Bush, entitled *George Bush: An Intimate Portrait*, published in 1989.

His marriage to Patricia Corbin ended in divorce.

Mr. Green is survived by a daughter, Penelope Green of New York City; a sister, Elizabeth Farnum Blua of Greenwich, Connecticut; and a brother, Richard Elliot Green of Ridgefield, Connecticut.

BORIS H. KLOSSON, 71, died of heart failure August 3. He lived in Chevy Chase, Maryland.

In 1945 he joined the State Department and worked in the Soviet and East European research division, eventually becoming its chief. Then, as a member of the Foreign Service, he went to Moscow as political counselor in the U.S. Embassy.

Mr. Klosson's survivors include his wife, the former Harriet F. Cheston, of Chevy Chase, Maryland; four children, Michael Klosson of Rockville, Maryland, Harriet K. DiCicco of Newport, Rhode Island, Christopher H. Klosson of Deerfield, Massachusetts, and Charles S.C. Klosson of Chevy Chase, Maryland; a brother, Kenneth A. Klosson of Oceanside, California; and four grandchildren.

JOHN ALFRED NOON, 80, died July 13 in Arlington, Virginia.

In 1949 Dr. Noon joined the State Department as coordinator of the National Intelligence Survey of the Office of Intelligence Research, after which he spent five years as director of the U.S. Information Service for British East Africa. He served a similar post in Nigeria, followed by appointments first as public guidance officer

for Africa at the Voice of America in Washington and then as Director of the VOA African Program Center in Liberia. He ended his career at State as associate dean of the Foreign Service Institute.

He is survived by his wife, Claire S. Noon of Arlington, Virginia, and two daughters, Erica, of McLean, Virginia and Brandy, of Tucson, Arizona.

CECIL B. SANNER, 82, a native of Pennsylvania, died August 21 of a heart attack.

Mr. Sanner joined the Foreign Service in 1951. He completed assignments in Germany, India, Nigeria, and Pakistan prior to his retirement in 1967.

Subsequently Mr. Sanner served as a member of AFSA's staff for 12 years, beginning in 1972 when he acted as administrator of membership and circulation. In 1982 he became AFSA's acting executive director and director of administration, a position he held until his retirement from AFSA in 1984.

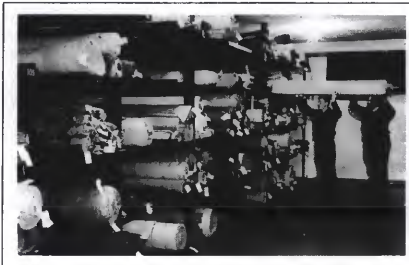
Survivors include Mr. Sanner's two sons, Harry H. and Craig B.; one brother, Wilbert; and six grandchildren.

MINNETTE DUREL WILLIAMS, 74, widow of Foreign Service officer Phillip P. Williams, died May 26 of cancer at her home in Tampa, Florida. Mrs. Williams had accompanied her husband to Brazil, Argentina, Bahama Islands, Nicaragua, Costa Rica, Israel, and Haiti. Survivors include three sons, Philip D. Williams of Alice Springs, Australia, George E. Williams of Seffner, Florida, Herbert R. Williams of Barrington, Rhode Island, a sister, Lydia Durel Edwards of Annapolis, Maryland; and 11 grandchildren.

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1990: AFSA Challenges and Accomplishments

The No. 1 issue of the year for AFSA members was the threatened furlough. Like most of the American electorate, Foreign Service people were fed up with the buck-passing ballet of budget-balancers that began in Washington in the late spring, and they were incensed that public servants were expected to be first in line to suffer the consequences. For the Foreign Service, add to this the unique difficulties being faced by employees and their families in Kuwait, Baghdad, and adjacent posts. In the end, we were relieved not to have to test the legal issues the furlough raised, in particular for personnel on foreign assignments.

Legislative Action. On Capitol Hill, AFSA exercised all the influence we could bring to bear on authorizers and appropriators to achieve adequate funding for salaries and expenses for the foreign affairs agencies. The results were hardly encouraging. Committee staff were sympathetic and did the best they could for us, recognizing the new demands for diplomacy in Eastern Europe, but they could not change the budget ceilings imposed by the leadership of both houses. The result is a small decrease in real terms in funding for salaries and expenses, and more severe austerity for all of us in 1991. With recent major foreign exchange losses and substantial payroll increases, State will be strained just to fund essential ongoing programs like the Department of State Telecommunications Network (DOSTN) and Foreign Service Institute campus construction. On the positive side, Congress did at least authorize a pay increase intended to bring Civil and Foreign Service pay gradually up to parity with the private sector. AFSA strongly supported the appropriation that will allow the U.S. government to meet fully our obligations to international organizations and to begin paying off arrears.

We also pressed to expedite confirmation by the Senate Foreign Relations Committee of career Foreign Service officers chosen to become ambassadors. As Congress adjourned, three career nominees were still stalled, apparently because certain senators objected to their assiduous implementation of administration policy. Nearly all new ambassadorial nominees in 1990 were career officers, and no new cases of egregiously unqualified political appointees arose. AFSA's February 1990 poll showed overwhelming support for a high AFSA profile on this issue, however, and we continued to use every opportunity to encourage the administration to adopt stricter screening procedures and to provide a better example for its successors.

The prime legislative vehicle for amendments to the Foreign Service Act will be the biennial authorization bill in 1991. We intend to press for maternity leave, equitable allowances for service at USUN, time limitations on the suspension of security clearances, and the elimination of certain other technical inequities in the law.

Labor-management activities: State Vice President George Jones, whose valuable year of service to AFSA regrettably came to an end in September with his nomination as ambassador to Guyana, reports briefly below on AFSA's negotiations with management to fine-tune the career management system for generalists for the 1990s. It is already clear that there are some wrinkles to be ironed out, not all of them due merely to the change in the timing of the promotion and assignment cycle. We will have an opportunity to review these changes with the director general's representatives early next year, and to renegotiate them in 1992.

In addition, we need to press for meaningful implementation of career improvements for secretaries, which seem to be languishing on the drawing board, and for specialists, which haven't even yet been sketched out in grand design.

Nor can we report major EEO progress toward bringing the percentage of African Americans in the Service from where it is now (about one-twentieth) to what it is nationally (more than one-tenth), although we fully support the director general's intensified minority recruiting. Settlement of the women's class action suit, together with the deputy secretary's emphasis on placing women in choice high-level assignments, may in the near term produce some improved upward mobility for women generalists.

State at least seems to be trying. It is hard to say as much for AID, which appears to be lagging, particularly on women's issues, and which has only recently issued overdue statistics for 1989. We haven't yet gotten much response from AID on other major issues of concern to AFSA either—high among them conclusion of a modernized general labor-management agreement with provisions for a full-time AFSA vice president for AID, funded by the agency in the same way that State funds positions for AFSA's president and State vice president.

Both AID and USIA have adopted revised career management procedures that parallel AFSA's agreement with State, but with some significant differences. State management insisted in negotiations with AFSA that the six-year window for FS-1 officers was a legal requirement that had to be retained. USIA management found a way to abolish its seven-year window. In the USIA case, the changes are based on a *pro forma* negotiation with AFGE. Apart from this, there is little sign of AFGE involvement, expertise, or useful activity in Foreign Service issues in USIA, and AFSA continues to develop plans to challenge AFGE for exclusive employee representation of USIA's Foreign Service. For legal reasons, the actual vote on the challenge must wait until 1992.

Administrative matters: We haven't yet reached our target of 10,000 members by the end of 1990, but by mid-October we were well over 9,800 and getting close to the goal. Credit goes particularly to our strengthened and more activist retiree program, under Chuck Schmitz' leadership as retiree vice president. Despite impressive gains in the past year, AFSA still directly represents only a third of Foreign Service retirees, and we plan to keep on building our retired membership.

Partly as a result of the increase in membership and partly because of last year's catch-up dues increase, we expect to end this year with a balanced budget. We have even been able to accomplish some long-needed renovations at our 2101 E Street offices. Members who have not already stopped in are cordially invited to do so and to admire Executive Director Sabine Sisk's fine handiwork in bringing in a tasteful and efficient AFSA facelift exactly on budget. At the same time we have faithfully replenished AFSA's capital maintenance account with \$5,000 contributions monthly. Thus AFSA's financial health is sound at the moment, but we can already foresee certain increased expenses next year and will eventually need to cover them. For these reasons, we will be proposing a simple by-laws change, to be approved at the time of the 1991 elections, allowing the AFSA board to index dues and as necessary raise them in accordance with (but by no more than) cost of living increases. Any more substantial increases would still have to be approved by the membership as a whole.

Scholarships: For the education department of AFSA, the last year has been particularly auspicious. A 1989 windfall of over \$300,000 in added endowment allowed us to expand scholarship assistance to Foreign Service offspring substantially. Most recently, as the result of an agreement with DACOR Bacon House Foundation for AFSA to

administer additional substantial scholarship assistance, we will be able to target a number of grants to juniors and seniors in college whose studies focus on foreign affairs. Similarly, our awards program has benefited from an unrestricted grant from the Delavan Foundation, which we expect to use to establish and begin capitalizing an annual award for Foreign Service secretaries.

Foreign Service Club: Patrons of our Foreign Service Club will no doubt second our vote of appreciation to manager Frank Newton, whose courtesy and friendliness have helped us restore the club's reputation among clientele who recall uneven club management in past years. The day is rare now when the club is not in use for catered events at lunch, frequently also at breakfast and during the cocktail hour. Prices are still not as low as we would like, but the realities of operating a club with little or no evening business entail overhead costs that have to be paid. The more our members use the club, the more our contractors (who also manage Gary's Restaurant) can stabilize prices, and the better we can hold down the net cost of AFSA subsidies (currently about 1 percent of our total budget).

Unfortunately, our efforts to attract club customers are still seriously set back by the situation across the street, in what is ironically known as Foreign Service Park. Regrettably, we've made no progress in the past year in getting either federal or district government help to counter our own local version of preemptive agrarian reform. A varying number of panhandling squatters continues to populate the triangle between E Street, 21st Street, and Virginia Avenue, and we can only hope that a new district government in 1991 will be more effective than the current one in helping us to deal with this problem in some humane way.

Outreach: AFSA officers made new efforts to broaden our constituency a major element of our 1989 election platform, and we reported to you last year about our incipient conference program, and our offer to major American firms to become "international associates" of AFSA. Venturing into new operations, we had to footnote our report with some uncertainty about how successful we would be.

A year later, we can tell you with some pride that the program is now soundly launched, widely publicized, and very much appreciated by our new American business friends.

AFSA Vice President Chuck Schmitz, who has directed it, reports briefly on events to date below. We owe special thanks to Deputy Secretary Larry Eagleburger, who chose our opening conference last November as the occasion to put forth a "bill of rights" for American businessmen seeking Government assistance that is now in wide circulation in the private sector. We are administering the program on a non-profit basis, and the account to date is roughly in balance.

One AFSA idea that everyone seems to like is the formation of a Foreign Service Reserve corps. An initial step would simply be to dignify and to consolidate into a single data bank all the various arrangements that individual Foreign Service retirees now have with specific bureaus. Eventually, we would like to see the corps expanded to include all Foreign Service agencies, and to make the data bank of reservists available to the private sector as well as to the government. State Department leadership has now endorsed the concept, and we are working with the director general on a plan to implement it.

No matter how many resources AFSA leadership might have at its command, we could not do enough to improve the foreign affairs consciousness of American citizens at large. Working in parallel with us toward this goal is the Una Chapman Cox Foundation, whose one-hour film on the modern Foreign Service will soon be broadcast on public television stations. One form of cooperation between AFSA and Cox will involve using AFSA members as speakers to speak and amplify on

the Cox film to regional audiences, and AFSA is optimistic that Cox will soon be able to help us carry the expenses of a speakers bureau. We have also applied to other major donors for funds to set up the bureau, which is necessary because of the foreign affairs agencies' constantly dwindling travel budgets, among other reasons. In addition, we are seeking grant funding to improve promotion and to subsidize Foreign Service participation in our conference program series.

A third AFSA effort that can benefit from foundation assistance is our guest speaker program. Dick Thompson describes below the stimulating and varied group of luncheon speakers who led discussion at the AFSA Club in the last year. We are seeking to organize our speakers series in the next twelve months somewhat more thematically around the question of whether the U.S. Government is properly organized to meet the challenges and opportunities of post-cold war diplomacy. A provocative series of high-level speakers is proposed, with the results to be discussed, synthesized, and incorporated into a report with action recommendations next year. We can do this job even better if our applications for foundation funding are fruitful.

Always an asset in our outreach efforts, the Foreign Service JOURNAL also turned in a sound financial performance in 1990. Editorial costs were held firmly in check, while advertising revenues rose significantly, and the JOURNAL staff worked hard to publish for the first time a 12th monthly issue (August), dropping the practice of skipping a month in summer. We took advantage of AFSA's conference series for some of the content of the JOURNAL. Look for some exciting new themes in 1991, including an analysis early in the year of the Foreign Service role in Iraq and Kuwait.

—Ted Wilkinson, AFSA President

State Department Issues

The major business of the year was the negotiation with the department on changes in the evaluation, bidding, and assignment process. Despite the Thomas and Bremer reports, management decided not to undertake a major overhaul of the Foreign Service personnel system at this time, and specifically not to request any changes in the Foreign Service Act. One reason given was management's desire to conduct two elaborate surveys of positions and job skills, the Activities Value Analysis and the Functional Needs Study.

Nevertheless, management did prove ready to negotiate with AFSA significant changes in the generalist personnel system. After extended negotiations, considerable input from our overseas chapters, and discussion at an open meeting in the department, we believe we substantially improved management's original proposals. Among the positive changes agreed upon were: a first-ever language requirement for promotion to the Senior Foreign Service (SFS); much clearer regulations on multifunctional (MF) promotions that for the first time tell the boards which officers are to be considered for MF promotions; two years minimum time-in-grade before promotion; a first-ever enforceable TIC for career ministers, and a 14-year multi-class TIC for minister-counselors, ending the forcing out of those promoted too quickly to MC; a 22-year multi-class TIC for all class one officers; a written promise of normal promotion rates over the next five years, despite longer TICs and the anticipated temporary decline in senior attrition; early, priority assignment of DCMs, principal officers, and officers in training, so that officers not selected for high-level jobs will know early in the process, and no one will go through training without an onward assignment; and extension of maximum tenure for juniors

to five years, to give them more time to demonstrate their qualification for tenure.

On the negative side of the ledger, management was adamant in its position that it would not institute these changes unless AFSA agreed to delay issuance of the annual promotion list from fall to winter. We finally succeeded in getting a commitment to publication before December 31 and commitments to accept new bid lists and requests for reassignment from those promoted. Moreover, management agreed to sit down with AFSA in March 1991 to review formally the impact of all the changes and what modifications may be needed. The entire package will be renegotiated with AFSA beginning in January 1992. AFSA was also severely disappointed by the long delay in announcing management's proposals for secretaries and specialists. The former were finally received the end of July; the latter, we are told, have been still further delayed because of the complex differences between different specialties. Moreover, the proposals for secretaries contained little that was new and conditioned even that on the availability of funds. Fortunately, the Foreign Service secretaries assigned to the department created an active committee on secretarial issues this year, and under their leadership we hope in the new year to make some progress in bringing about meaningful changes in the career ladder and rewards system for secretaries.

Another area in which management promised much and produced little was affirmative action. The department's affirmative action plan, drafted to replace one rejected as inadequate by the Equal Employment Opportunity Commission (EEOC) in 1988, was again rejected by the EEOC and must be redone. It basically consisted of promises to try harder at minority recruitment. AFSA strongly favors merit and merit alone as the basis for most new entry into the Foreign Service and for all promotions, but if we mean what we say about a truly representative service, management must be pressed to do more in 1991.

Finally, AFSA is increasingly concerned about the growing encroachment of Civil Service employees into Foreign Service jobs, both at home and abroad. The numbers are still small, but if the complexity of our foreign policy challenges continues to grow, and management continues to insist that there can be no increase in the size of the service, then there is a clear danger that the need will be met from outside—whether from other agencies or from the department's own Civil Service staff. We will be keeping a close watch on this in the coming year.

— George Jones, State Vice President

USIA Standing Committee

The USIA Standing Committee met fairly regularly during the past year. Bud Hensen succeeded Omie Kerr as USIA representative to the governing board after Omie's assignment as CAO Santiago.

AFSA sponsored a presentation by three representatives from the 1989 selection boards. They presented perspectives from both the generalist and specialist promotion panels. We also hosted luncheons at the Foreign Service Club for two junior officer training classes, where our newest officers had a chance to meet members of the governing board.

AFSA conducted a successful membership drive, sending letters to all USIA Foreign Service employees. As a result, membership grew by about 25 members. I would like to remind my colleagues in USIA that we do not yet have the checkoff for AFSA membership dues. Please respond to the renewal notice you get from AFSA when your membership expires each year.

Lynn Sever, who has served on the editorial board of the Foreign Service Journal for years, has had to resign because of conflicts with language training prior to her assignment to Athens. Lynn has been a great asset to the Journal and will be sorely missed. We will be actively recruiting a successor for her. Karl Fritz has continued to perform yeoman service on the scholarships committee, and Tony Chillura has agreed to serve on the election committee. New officers will be elected next May.

— Vance Pace, USIA Vice President

AID Standing Committee

Senior Foreign Service. Even though the agency notified AFSA in September 1989 of its intent to renegotiate regulations governing the Senior Foreign Service (handbook 25, chapter 38), this task has not been undertaken to date. Two important elements of these regulations have been discussed with management: the extension of the senior threshold window from seven to eight years and the extension of the MC time in class (TIC) limit to 12 years from the date of promotion to OC. AID has not accepted AFSA's proposal that the extension of the senior threshold window to eight years be optional for those FS-1s who would have faced their seventh and last senior threshold promotion panel this year and has declared that both the proposed change in the MC TIC and negotiations on the other aspects of changes in Foreign Service regulations are non-negotiable. AFSA and the agency have reached a bargaining impasse, and AFSA has requested Foreign Service Impasse Disputes Panel assistance in moving forward with these important negotiations.

Affirmative Action/Equal Employment Opportunity. In May, AFSA concurred in a one-year extension of the Foreign Service Impasse Disputes Panel order concerning affirmative action promotions through the 1990 selection boards. While it would have been preferable for AFSA to make a determination on that extension following a review of the agency's FY 89 report on EEO and affirmative action, that report was not available to AFSA until September 1990.

Over the past year, the AID standing committee has raised concerns about the agency's apparent lack of managerial commitment and accountability regarding principles of equal employment opportunity and affirmative action. Minority groups and women continue to be underrepresented in the Foreign Service in AID. Despite this fact, AID's hiring practices continue to reflect biases that are incompatible with the spirit and letter of the Foreign Service Act of 1980, which calls for the Foreign Service to be representative of the American people.

AFSA has raised specific concerns with management. These include 1) the failure to constitute and convene the EEO oversight board since 1986; 2) lagging compliance in meeting congressionally mandated reporting requirements on EEO progress, as required by section 105 of the Foreign Service Act; 3) the delay in affirmative action plan updates, eliminating their effectiveness as management tools; and 4) the need for disaggregation of data on Foreign and Civil Service and secretarial and professional staff, in order to assess the progress of minorities and women in the two systems.

As a result of management's unwillingness to respond to these and other concerns, AFSA is seeking assistance from members of Congress in investigating personnel practices and attitudes that impede the selection and advancement of minorities and women in AID.

Reorganization. AFSA has closely monitored the numerous reorganizations that have occurred this year to assure that neither the Foreign Service nor individual Foreign Service employees were ad-

versely affected by reorganization of units in AID/Washington. Our efforts have focused on preserving both the number and rank of Foreign Service positions. The conversion of 46 Foreign Service positions from the Executive Personnel Assignment Panel (EPAP) to the open assignments system was a significant part of these reorganization efforts.

Career transition. The standing committee has closely monitored the agency's plans to reshape its retirement planning and career transition support to Foreign Service employees who are retiring from agency service. We have encouraged the agency to join the Department of State sponsored career transition program, which includes outplacement orientation and training and job search support through a resource center, as well as up to 90 days of release time to search for a job. We are particularly interested in the 90 days of release time and request that AFSA members contact the Office of Personnel Management to argue for this feature.

Furlough regulations. AFSA has worked hard over the past few months to negotiate with the agency regulations that will govern the implementation of emergency and short-term (up to 30 calendar or 22 working days) furloughs of Foreign Service employees. We are confident that we have negotiated regulations that are equitable and reflect the special requirements of the Foreign Service. We have diligently fought to maintain flexibility in implementation, rights of appeal, and special consideration for exemption when dire personal circumstances warrant it.

Open assignments system. We have on several occasions challenged agency actions that violated precepts of the open assignments system. We have been especially diligent in assuring that our agreement—that non-Foreign Service persons not be placed in Foreign Service positions prior to meaningful attempts to fill those positions with Foreign Service personnel—be respected by the agency. Notification by AFSA members of agency intent to violate accepted open assignment practices has been very useful in this regard.

Employee evaluation reports. AFSA and the agency are in the waning months of 1990 finally starting to renegotiate regulations governing employee evaluation reports. Greater objectivity, recognition of service above personal rank, and recognition for supervising non-direct hire personnel are among major AFSA concerns. The agency has proposed most recently that we negotiate only the EER form itself and the need to incorporate into the form evaluation of foreign language capability. We have reiterated our interest in revisiting EER regulations in their entirety.

Housekeeping agreement. We have drafted and started to negotiate with the agency a housekeeping agreement. The most important element of this agreement is a provision for a full-time AID vice president for AFSA. The current standing committee is convinced that without this full-time position, AID Foreign Service employees cannot be fully represented in either the agency or AFSA. These negotiations will most likely be protracted and lead, at best, to a full-time position for the next term, beginning in July 1991.

Membership. The percentage of AID Foreign Service employees who are members of AFSA continues to hold at about 65 percent. While this is good participation, we need improved performance in two areas—total number of members and membership participation in AFSA's labor-management and professional activities. We face tough times and will be effective in defending our interests and rights only to the extent that we are strong in number and actively pursuing what we are interested in and entitled to.

— Wendell E. Morse Jr., AID Vice President

Outreach

Outreach is AFSA's youngest department, about one year old. Its first job was to raise funds from business corporations to publish a comprehensive description of the Foreign Service. A handsome booklet, "American Diplomacy and the Foreign Service," emerged in November 1989 and has been a mainstay in our efforts to inform Americans of the activities, service, and issues of the U.S. Foreign Service.

Next, we devised a series of fora for outsiders to meet with Foreign Service people. Starting in November 1989, we produced seven conferences in 13 months: American Business and Government in a Turbulent World, U.S. Strategic Export Controls, East European Business Prospects, U.S. Business and the Global Environment, Prospects and Opportunities for Business in Korea, U.S. Communications Inc., and New Dimensions in World Trade.

We are encouraged by the success of these first AFSA conferences and the distinction of the speakers who addressed them. The conferences were informative, smoothly run, and provided opportunities for two-way communication. (We even heard about ways in which the Foreign Service might improve.) Conferences were well covered by the news media (CNN, C-SPAN, The Learning Channel, Korean and Japanese TV, Reuters, AP, and the International Herald Tribune), and we distributed summary reports ("Highlights") of several of them. Conference attendance fees helped foot the bill for the Outreach Department. We have proposed an ambitious program for seven more conferences in 1991.

To support Outreach, we have recruited American companies into a new International Associates (corporate membership) program. Each international associate pays a flat fee (currently \$1,500, to be increased to \$1,800 in 1991) to be a full participant in AFSA, including using the club and having representatives at all conferences. Some international associates have found ways to assist our work by special-purpose contributions, such as refreshments for receptions, printing, or publicity. Twice a year we call the associates together in an international associates council to advise AFSA on the Outreach program. AFSA currently has 39 international associates, and the number is growing weekly.

Currently, International Associate members include:

Alexander & Alexander; American International Group; American Cyanid Co.; Ansell Inc.; Arent, Fox, Kintner, Plotkin & Kahn; Arnold & Porter; Bell Atlantic; Caltex Petroleum; Celdadon Group; Citicorp; Cordell Medical; Du Pont; Ernst & Young; Exxon; General Electric; ITT; Litton Itek Optical Systems; LTV Aerospace & Defense; Magnavox; Mobil; Motorola; Philip Morris; Ralston Purina International; Shell Oil; Sullivan & Cromwell; Tenneco; and Westvaco.

AFSA conference speakers include:

Madeleine Albright, William Archey, Fred Bergsten, Warren Brookes, Frank Carlucci, Larry Eagleburger, Paul Freedenberg, Richard Gephardt, John Heinz, Amory Lovins, Harald Malmgren, Richard McCormack, Henry Owen, Charles Percy, Dan Quayle, Rozanne Ridgway, Jeffrey Sachs, Carl Sagan, Caspar Weinberger, John Whitehead, Timothy Wirth.

Conference programs are not perfect by any means: we need to improve promotion and marketing beforehand and reporting afterwards. Since these are both resource-intensive efforts, we have approached a number of educational foundations for assistance during 1991.

We have also asked foundations to help us with forming a speaker's bureau so we can project the Foreign Service beyond the beltway, and

with support for an intensified professional speaker luncheon and discussion series to help us articulate how U.S. diplomacy can grapple with the post-Cold War era.

Outreach is run by one AFSA staff member, a part-time contractor, occasional interns from local universities, staff assistance from throughout AFSA for special projects, and volunteers to help with conferences.

— *Charles Schmitz, Outreach Program Director*

Treasurer's Report

This year has been a period of financial equilibrium for AFSA, allowing for longer-term planning and an overdue refurbishing of AFSA headquarters. Budget discipline thus far has been excellent, and we project a possible small surplus for 1990. Additionally, the creation and funding of a capital maintenance fund is providing insurance against unforeseen building maintenance/repair costs, thereby insulating the operating budget and member program services from such a contingency.

In April the Finance Committee, with the concurrence of the Governing Board, transferred management of the AFSA Scholarship Fund from Shearson Lehman to Rittenhouse Financial Services. In an October 4, 1990 article, the New York Times cited Rittenhouse as one of the top 10 investment advisers in the country. Nevertheless, the Scholarship Fund has been adversely affected by the drop in stock market values in the aftermath of the Iraqi invasion of Kuwait. This adverse impact has been significantly mitigated by the fact that only 38 percent was in equities, the remainder invested in the bond and money markets.

— *Michael Davila, Treasurer*

Legal Issues

Security Clearance. AFSA had sued the department for using the SF-86 form, which requires employees to supply highly personal information regarding drug use, medical history, and political affiliations, and to sign a release that allows this information to be furnished during investigations. The case was settled in January 1990. AFSA observed subsequently that the court's 1990 ruling was not being obeyed. Significantly, the defendants were not providing employees with explanatory information, to accompany the form, about their rights to privacy, freedom of association, and freedom from self-incrimination, as required. After warning the State Department about not complying with the court order, AFSA filed a motion seeking to force compliance. AFSA and the State Department are currently negotiating a settlement of the case, after which more information will be provided to employees.

AID Contract Negotiations. AFSA submitted a proposed labor-management agreement to AID and is now in negotiations. This master agreement would be similar to the current "housekeeping" agreement that governs business between AFSA and the Department of State. One of the issues involved is whether the agency will allow the AID vice president to spend 100 percent of his or her paid, official time on AFSA business, as do two State representatives (AFSA president and State vice president). Completion of the AID agreement will be a priority in the upcoming year.

Time limit for filing a grievance. Current regulations provide for a three-year time limit for filing grievances, except in the following circumstances: 1) the grievance materials are specifically referenced by a selection board and relied upon by the agency in a retirement

proceeding; and 2) the materials are adversely affecting the grievant in some other way and no more than five years have elapsed since the date of their issuance. The foreign affairs agencies are attempting to roll back this rule to a flat, three-year limit for all cases. Their arguments have been vigorously contested by AFSA. The Foreign Service Grievance Board has agreed with AFSA's interpretation, and negotiations are ongoing.

AFSA won its negotiability appeal before the Foreign Service Labor Relations Board (FSLRB) regarding the time limit for filing a grievance. AFSA proposed a waiver of the three-year statute of limitation on filing a grievance similar to the provisions in the regulations delineated above. After State declared the AFSA proposal non-negotiable, AFSA appealed to the FSLRB for a ruling on the proposal's negotiability. The FSLRB decided that the proposal is negotiable, and AFSA is currently negotiating this issue with State.

Overseas option. AFSA sued the State Department for failing to provide AFSA with the opportunity to negotiate the revocation of procedures allowing the American Foreign Service Protective Association to offer lower rates for the health insurance they provide to members during overseas assignments. AFSA's suit was eventually dismissed on technical grounds. We are now seeking legislative remedies.

Update on Drug Testing. AFSA was briefed on the Drug Free Workplace Program's implementation. The department expects to begin drug testing all applicants for State Department employment, both Foreign Service and Civil Service. The department intends to send out notices to all holders of "sensitive positions" assigned to Washington. Actual testing of employees, other than those under "reasonable suspicion" will not begin until early 1991. Since the department is required by law to have this program, AFSA can negotiate only its impact and implementation. We oppose random drug testing in principle, though, and will seek to limit it to an absolute minimum.

Negotiation of Disciplinary Regulations. The department proposed sweeping changes to regulations governing disciplinary action and separation for cause. During the course of negotiations with AFSA, a majority of the disputed proposals were resolved. AFSA filed negotiability appeals with the Foreign Service Labor Relations Board (FSLRB) and a request for assistance from the Foreign Service Impasse Dispute Panel (FSIDP) on unresolved issues. These unresolved issues pertain to an employee's right to information maintained by the department and which may be related to proposed disciplinary action, expedited processing of grievances in cases where an employee is placed in an indefinite nonduty/nonpay status, and expediting security clearance procedures for an employee's chosen representative in cases where a Foreign Service Grievance Board hearing may involve classified information. These pending issues before the FSLRB and the FSIDP will have a significant impact on the disciplinary regulations and employees.

Non-disclosure Agreement. The department modified the non-disclosure agreement form, SF-312, after the Federal District Court found AFSA's claims that the form was too vague to be valid. AFSA has maintained its suit because we believe SF-312, the form precluding employees from making unauthorized disclosures of classified information, is still vague, but the department is continuing its efforts to induce employees to sign the form. Employees have been told that the department determines that a violation of SF-312 has occurred only when an unauthorized disclosure of classified information is "willful and deliberate." The language does not distinguish between "willful and deliberate" and accidental. Congress has passed legislation that requires non-disclosure agreements such as the SF-312 to include a

notice that such agreements cannot supersede or conflict with employee rights and obligations to provide information to Congress, or to others under the Whistleblower Protection Act and other similar laws.

New Financial Disclosure Policy. The Legal Department filed an unfair labor practice charge against the State Department for its unilateral change in procedures for reviewing the SF 278 financial disclosure form. Instead of sending the SF 278 form directly to the State Department's Legal Adviser's Office, the form will now be reviewed at post by the deputy chief of mission or another designated senior official. The purpose for disclosure is to insure that federal executives carry out their duties without compromising the public trust. AFSA has expressed its concern to the department regarding this unilateral change in the review process, but the Foreign Service Labor Relations Board did not find that the department committed an unfair labor practice.

Sex Discrimination Suit. AFSA carefully watched the closing of a class action suit concerning sex discrimination filed by former Foreign Service officer Alison Palmer in January 1976 against the State Department. From the suit, both parties will be signing the consent decree to remedy the findings of discrimination. The consent decree addresses discrimination in program director positions, out-of-cone assignments, or permanent transfer to the political cone; at-rank, in-cone assignments to compensate for excess out-of-cone consular assignments; and retroactive superior honor awards.

Legislative Issues.

Espionage Legislation. AFSA supports legislation that strengthens laws to curb espionage but opposes legislation that would permit increased use of polygraph exams and access to personal and financial information for a five-year period after termination of a security clearance, among other proposed procedures. AFSA provided testimony for the hearing record to the Senate Select Committee on Intelligence expressing AFSA's opposition to those aspects of the bill that would allow broad unfettered intrusion into an employee's life and its adherence to the longstanding principles of civil liberties and due process.

Family Leave. AFSA maintains its support for establishing a family and medical leave policy. In June, President Bush vetoed the Family and Medical Leave Act, and an override attempt failed. The bill would have allowed workers up to 18 weeks of unpaid family leave over a two-year period to care for new children and up to 26 weeks of unpaid medical leave over a one-year period. Other benefits were a requirement to continue health insurance benefits during employees' leave and assurance the same job, or an equivalent, upon their return. The bill will be reintroduced, and AFSA will continue to support it.

Amendment of Foreign Service Act of 1980: Processing Discrimination Complaints through the Grievance System. AFSA has been actively lobbying for an amendment that would give Foreign Service employees the option to file complaints of statutorily prohibited discriminatory acts either as grievances in the grievance system or as EEO complaints in the agency EEO system. The current system requires that Foreign Service employees file in both systems; overlap between the procedures results in administrative inefficiency and creates undue burden on employees.

— Turna Lewis, General Counsel

Member Services Department

By now many of you are probably familiar with Amy MacEachin and Catherine Schmitz, both of whom are well into their second years as member services representatives. A name that you will be hearing more

of in coming months is Deborah Leahy, AFSA's executive assistant, who has recently taken over as our in-house tax adviser.

As always, our work in the past year has focused both on the problems of individual employees and on matters of broader concern. This report will focus on the latter, emphasizing those issues which are relevant to the membership at large.

Grievances. AFSA's grievance workload remained relatively stable last year, at about 200 cases. With any luck, we will be even better equipped to assist grievants in the coming year—the Grievance Board has indicated that a much-needed (and long-awaited) index of grievance decisions is finally near completion. Another positive note: several long-standing group grievances have either been resolved or are nearing resolution (for example, the FS-1 cohort grievance and the entry-level salary dispute regarding Diplomatic Security agents). This should help remove some of the bottlenecks which have slowed the grievance process in the recent past.

A key 1990 Grievance Board decision brought good news for untenured employees seeking prescriptive relief. Although the board had never previously taken an official stance on this issue, it decided to do so in late 1989 when it received five separate cases from untenured employees involving prescriptive relief. AFSA provided representation in a hearing on the lead case, maintaining that there are cases in which the board has the authority to grant untenured employees prescriptive relief. The board then took the unusual step of convening its entire membership to formulate an across-the-board policy on prescriptive relief.

The board ultimately adopted the position advocated by AFSA, finding that it could grant prescriptive relief to untenured employees if, in a preliminary assessment of the case's merits, it found that the grievant had a "reasonable" prospect of attaining relief. Unfortunately, the last chapter in this story remains to be written: the department responded to the board's decision by indicating that it will defy any order providing an untenured employee with prescriptive relief. Although this has not yet happened, the department's position virtually assures that AFSA will have to take legal action in the future.

AFSA also successfully intervened in a grievance dealing with prescriptive relief for tenured employees. AID had argued that the above-cited standard for prescriptive relief in cases involving untenured employees (a "reasonable" prospect of prevailing) should be equally applied to tenured employees. The board determined that tenured employees are not subject to as stringent a standard, finding that prescriptive relief is warranted as long as it is shown that the grievance is "not frivolous."

Annuity Payments: In a decision with significant implications for many Foreign Service retirees, the Grievance Board recently awarded annuity payments to a former State employee. The employee had retired from the Foreign Service in early 1986; in March of that year, he was appointed to a full-time, permanent position at USA. At the time he retired, Section 824 of the Foreign Service Act permitted a retiree who was rehired by the federal government on a full-time basis to receive annuity payments up to the point where his earnings from those payments plus his new salary equaled his previous salary.

This section of the act was amended as of January 1, 1987, so that any participant in the Foreign Service Retirement and Disability System who "becomes employed in an appointive or elective position in the government" would no longer qualify for any annuity payments. The department took no steps to ensure that those affected by the new provision were properly informed, and suspended the annuity payments of the employee in question, even though he had retired prior to the

legislation's passage. AFSA assisted the employee in filing a grievance, which the Grievance Board found meritorious.

Consumables Allowance: AFSA recently obtained an increase in the consumables allowance for Foreign Service employees on three-year tours. The allowance had previously been set at 2,500 pounds per tour for each employee. The foreign affairs agencies would authorize an additional 25 percent allowance for a six-month extension and 50 percent for a year's extension. However, the regulations did not account for the possibility of a three-year tour. The new agreement (which took effect on September 20, 1990) rectifies this inequity by establishing a 3,750-pound allowance for employees on a three-year tour.

Home Leave: Growing employee concerns over difficulties encountered in attempting to use accrued home leave were augmented by management cables noting that "compelling service need" would likely force individuals to limit home leave to 20 days (the statutory minimum) in 1990. The department referred to home leave in excess of 20 days as "a luxury we can no longer afford," despite provisions in 3 FAM 454 in which "standard" home leave is defined as 30 days. AFSA has pressed management to meet to discuss possible ways to remedy this situation; the department has been unresponsive thus far.

Residential Security: The Bureau of Diplomatic Security (DS) put new residential security standards into effect in February. Although AFSA was not consulted prior to issuance of the new standards, consultations were held with DS as soon as the association learned of the changes. DS explained that the purpose of the program was to establish uniform standards, applicable to all foreign affairs agencies, that would fairly and accurately gauge the threat level and security needs of each post. DS acknowledged that the establishment of such standards would alter the allocation of security resources to some posts, but indicated that it would be flexible in applying the new standards. Any post may challenge the bureau's assessment of its threat level, and post managers are encouraged to contact DS if they feel that their security is being compromised in any way.

"Front-Loaded" Leases: Foreign Service employees enrolled at the Foreign Service Institute on temporary duty have been adversely affected by a recent change in practice by the Bureau of Finance and Management Policy (FMP) that effectively denies full reimbursement to employees whose leases show "declining" rents (i.e., "front-loaded" leases). FMP has been reluctant to issue an official statement on this issue, as it is awaiting a final determination from the General Accounting Office; in the meantime, employee claims for reimbursement are being held in abeyance. AFSA has raised this issue with management, which has acknowledged that it is improper for FMP to defer employee claims. The department was preparing a more comprehensive response as of this writing.

Payroll Problems: The department has continued this year to cite budgetary constraints and personnel shortages for a variety of problems—perhaps most notably with respect to the inaccurate and inefficient processing of vouchers. While employees are sometimes required to wait several months before receiving reimbursement for travel and living allowance costs, the department may charge employees interest if a voucher has not been submitted 31 days after the completion of travel. Once a voucher is submitted, 25 days is the suggested time frame for processing, but there is no regulation or statute that binds the department to this schedule.

In an effort to rectify this inequity, AFSA is proposing legislation to provide for reciprocal financial obligations (i.e., require that employees be given interest on any vouchers that have not been processed within 31 days).

Pouch Service: AFSA has been inundated in the past year with inquiries and complaints about the pouch and mail system. Most of the complaints stemmed from changes undertaken to streamline the process and improve service. For example, the department, in an effort to reduce junk mail and increase efficiency, would not process mail whenever a label contained the words "occupant" or "current resident"; this often prevented employees from receiving much-needed catalogs. Thanks to the new automated mail facility at Dulles Airport, the department is now able to devote additional resources to catalog sorting; however, to ensure delivery, pouch officials still recommend contacting companies to request deletion of the words "occupant" or "current resident" from mailing labels.

The transition to the new Dulles mail facility has not been without its problems, particularly for users in agencies other than State. For example, AID initially required employees to utilize a new five-line address for pouch mail. This was a concern because many commercial establishments use computerized data bases which cannot accommodate a five-line address. In light of this consideration, AID is now allowing employees to use a three-line alternative. Less easily resolved was AID's failure to provide employees with an adequate grace period prior to implementation of the new address format. Fortunately, it appears that any "improperly" addressed mail will only experience minimal delays, which will be more than offset by the already-noticeable improvement in pouch service resulting from the Dulles facility.

—Chris Bazar, Director of Member Services

Communications Department

Journal. Late 1990 began the Journal on a path of transition that will continue into the new year. Most significantly, Director of Communications Ann Luppi left AFSA in September and has been replaced by Associate Editor Anne Stevenson-Yang, pending a decision by the Editorial Board on a permanent replacement. Additionally, Lynn Sever of USIA has resigned from the Editorial Board in preparation for an overseas assignment, while the board has welcomed the membership of Foreign Service officers Robert Pollard, George Flores, and Stuart Callison as well as of journalist William Beecher.

Advertising Director Julia T. Schieken led sales to an all-time high, bringing in a projected \$218,347 in revenue, \$41,300 or 23 percent over the advertising revenue expected in our 1990 budget. The JOURNAL is steadily reducing its cost to AFSA members, from about \$68,000 in 1987 to \$48,000 in 1990. We also will finish the year \$34,000 under budgeted expenses. That means the JOURNAL's portion of AFSA dues has decreased significantly, from about \$15 per member in 1986 to roughly \$9 in 1990. That compares favorably with the profiles of other association magazines, which claim an average of roughly \$25 per year in member dues.

Despite an industry-wide slowdown in advertising, we are projecting strong gains in revenue in 1991, in the expectation that a reader survey to be conducted early in the year will produce the sort of hard statistics on our high-profile readership that large advertisers want to see before buying space. The JOURNAL then projects raising page rates and seeking full-page, four-color advertising that will allow us to provide a better looking, more colorful magazine.

In September the magazine began a three-month staged transition from its SuperPage in-house electronic publishing system to the latest version of Ventura Publishing, which will provide us with more graphic flexibility and greater dependability. SuperPage was the most advanced

system of its time but now has gone the way of Betamax, such that repair, training, and support are limited to a tiny and diminishing number of local vendors. Ventura, an IBM program which is one of the two most widely used electronic publishing systems, will cut down on training time and costs, allow us to bid out production work among the numerous vendors whose systems are compatible with Ventura, and give us access to regular updates from the manufacturer.

As we shift technologies, we are also redesigning the magazine. Readers may already have noticed our cleaner, more elegant look, with sharper identity for the departments and more supporting tables and charts in the feature section. The January 1991 issue will inaugurate the final stage of the redesign, which is calculated to reflect a more outward-looking magazine.

Editorially the issues of greatest concern in 1990 have been the budgetary constraints that have impact on State and the Foreign Service and proposals to improve the functioning of the foreign affairs agencies. These concerns were explored in the Focus column, AFSA News, and, in the feature section, notably in the January issue on AID, the February question-and-answer session with Under Secretary Ivan Selin, and the November interview with Deputy Secretary Eagleburger. In 1991 we will continue to monitor career and budgetary issues while broadening our coverage and analysis of U.S. foreign policy challenges. Readers are invited to request a copy of the Journal's 1991 editorial calendar, which lays out a blueprint for balanced, thorough coverage of new configurations in foreign affairs.

Communications. The Communications Department is expanding its capability to act as the press office for AFSA and the conduit for the association's foreign affairs initiatives, outreach to private business, and challenges to management policies. With the Ventura system in place and revenue growing, the Communications Department is well placed to produce the press releases, newsletters, bulletins, and conference reports that permit AFSA to be the voice of the Foreign Service.

— Anne Stevenson-Yang, Acting Editor

Professional Issues

Luncheon Speakers. Topics addressed over the past year were a mix of issues relating to the craft of diplomacy on the one hand and foreign policy questions on the other.

Especially notable was an appearance by Under Secretary for Management Ivan Selin before a packed house at the Foreign Service Club to discuss personnel reforms, foreshadowing the package later agreed to with AFSA. Much of AFSA's attention this year focused on budget questions, and Frank Hodsoll of the Office of Management and Budget talked to us about the challenges of the foreign affairs budget. Similarly, Stanley H. Smith, staff director of the House Foreign Affairs Subcommittee on International Operations, at a luncheon co-sponsored with the Thursday Luncheon Group, presented Subcommittee Chairman Mervin M. Dymally's views of the budget and State, including the need to make the department more representative. Ambassador David Miller of the National Security Council provided a frank assessment of the performance of the Department of State and the Foreign Service. At a very practical level, AFSA co-sponsored with the Women's Action Organization a seminar on EER preparation led by Deputy Assistant Secretary for Equal Employment Opportunity Audrey Morton and Director of the Office of Performance Evaluation Harmon Kirby.

Key foreign policy issues addressed included terrorism (Ambassador Busby), Lebanon (Ambassador McCarthy), Japan (Edward Lincoln of

Brookings), Colombia and drugs (Ambassador McNamara), and the Soviet Union (Harley Balzer of Georgetown University).

The growing importance of economic interests was recognized by scheduling the deputy European Community delegation head, Corrado Pirzio-Biroli, to talk about the implications of EC-92 for the United States, and Export-Import Bank Chairman John D. Macomber to discuss U.S. competitiveness and world trade.

In the coming year we will have as a major theme the challenges to diplomacy of a changing international environment and ideas for changing our approach, methods, and structures to meet these challenges. To get us started, department Historian William Slany at a September lunch described the current foreign policy institutions as established after World War II. If outside funding is obtained, we plan a major effort to enlist top speakers, record and refine proposals, consult with experts and institutions, and develop specific recommendations.

AFSA Awards: The big news is the establishment of an annual award for a Foreign Service secretary or group of secretaries. Long discussed within AFSA, the concept was strongly supported by AFSA's Subcommittee on Secretarial Issues and unanimously approved by the board. Unrestricted grant aid to AFSA from the Delavan Foundation is being dedicated to the new award.

The 1990 AFSA award winners were honored on Foreign Service Day (May 4) in the Dean Acheson Auditorium, where the awards were conferred by members of the Herter, Rivkin, and Harriman families, which endowed these awards. Ambassador Bruce Laingen, chairman of the AFSA awards committee, awarded the Sinclair Awards for outstanding achievement in the study of difficult languages. Thereafter, the winners and other honored guests attended the Foreign Service Day luncheon on the eighth floor, addressed by Vice President Quayle.

Nominations for the 1991 awards, including the new secretarial award, are due January 31.

Memorial Plaque: Deputy Secretary Eagleburger read a message from the president at a solemn ceremony on Foreign Service Day honoring those who lost their lives under heroic or other inspirational circumstances while serving their country abroad under the direction of an ambassador. The five names added this year, comprising two State officers, two AID officers, and an Army colonel, were unveiled as a military color guard presented arms.

Foreign Service Day Brunch. The Foreign Service Club could barely hold all the retirees who attended the annual brunch the day after Foreign Service Day. They enjoyed meeting old friends and discussing AFSA's program and retiree issues with the AFSA leadership.

Public Employees Roundtable: The coordinator for professional issues is AFSA's representative to this active coalition of public service associations, which carries on programs aimed at enhancing the image and effectiveness of the public service and attracting young people to careers in government. In 1990 the coordinator was elected to the executive and finance committees of the roundtable.

— Richard Thompson, Coordinator for Professional Issues

Membership

AFSA's membership continues to climb steadily toward the 10,000 member mark. The retiree constituency is once again the fastest growing in AFSA with over 280 new members since last year. The active Foreign Service categories, although not rapidly increasing, have remained fairly constant throughout the year. Membership broken down by constituency is as follows:

STATE	4,716
AID	1,148
USIA	180
COMMERCE	47
AGRICULTURE	10
ASSOCIATE	428
RETIRED	3,080
LIFE	188
JUBILEE	42
TOTAL	9,839

There were two new categories of membership introduced in 1989, International Associates and Embassy Associates. The International Associates program has taken off and currently has 39 member organizations. To energize the Embassy Associate program the Membership Department will initiate a direct mail campaign in November 1990 to local area embassies. As these two new constituencies develop, AFSA will be sure to keep the membership at large informed.

In order to meet the demands of an increasing membership, AFSA will be hiring an additional full-time membership staff person in January 1991. The Membership Department is currently staffed by the director, Janet Hedrick and the membership assistant, Irene Lowy. All inquiries and comments from change of addresses, to how to start a local chapter are welcomed.

AFSA's effectiveness depends on its members, and your active participation will increase our impact as the professional association for the entire Foreign Affairs community. As an AFSA member, become involved, and encourage your non-member colleagues to join AFSA and support the Foreign Service.

— *Janet L. Hedrick, Director for Membership*

Scholarship Programs

The AFSA Scholarship Programs provide financial assistance to dependent children of career Foreign Service personnel (active, retired with pension, or deceased) who have served or are currently serving abroad in U.S. foreign affairs agencies, as defined in the Foreign Service Act of 1980. The Scholarship Programs' annual report covers the academic year in which awards were made, that is, the fall 1989 and spring 1990 financial aid grants and the spring 1990 Merit Awards. This year, the AFSA Scholarship Programs provided \$96,195 to 108 students.

The financial aid program, first offered in 1927, provides grants for full-time undergraduate studies. Grants ranging from \$500 to \$2,000 are awarded based solely on need and the amount allowed by individual schools. During the academic year 1989-90, \$79,995 was given to 75 eligible students. Of the AFSA scholarship recipients, 64 were dependents of Foreign Service personnel from the State Department, five from AID, three from USIA, two from Commerce, and one from Agriculture. Scholarship recipients were enrolled in colleges in 22 states throughout the country.

The Merit Awards, created by AFSA and the Association of American Foreign Service Women (AAFSW) in 1976, provides awards to high

school seniors from schools in the United States and abroad in recognition of their outstanding academic records, their leadership qualities, and their extra-curricular activities. In the spring of 1990, 20 Foreign Service dependents each won \$750 AFSA/AAFSW Merit Awards. In addition, 13 students received honorable mention awards of \$100 each. Of the \$16,300 distributed in Merit Awards, equal amounts were contributed by AAFSW and AFSA.

Merit Awards are determined by review panels consisting of 24 volunteers from AAFSW, AID, State, USIA, and members of the retired Foreign Service community. This year's Merit Awards were in honor of the late Bonnie Pugh, who with her husband, Ambassador Robert L. Pugh, served in the Foreign Service until her death in 1989 in a terrorist airplane explosion. The winners were honored at Foreign Service Day in May when Director General Edward J. Perkins presented a check to Vincent Del Vecchio, who represented all the winners.

AFSA expects to expand the awards program substantially in 1991 through the welcome decision of the DACOR Bacon House Foundation to administer through AFSA a significant new grant aid program for college juniors and seniors whose studies are in the field of foreign affairs.

Contributions to the AFSA Scholarships Programs come as memorial donations, contributions, bequests, royalties, and honoraria.

The number of perpetual awards increased this year from 36 to 38, to include the Francesca Bufano Lapinski Memorial Scholarship and the Sheldon Whitehouse Memorial Scholarship. Perpetual awards are established when donations total \$10,000 or more. This year's annual awards were named for Arjun R. Chakrawarti, Jane Fairweather, James L. Holmes, Susan Lowe Modi, and Teresa C. Jones. Annual awards are given when contributions exceed \$1,000.

During this reporting period, Ambassador Jack W. Lydman was chairman of the AFSA Committee on Education. Members included Janet Biggs, AAFSW; David Jones, State; David W. Smith, State; Karl Fritz, USIA, and Edward T. Costello, AID. AFSA's Committee on Education was staffed by Cristen Springet until her resignation at the time of departure for an overseas post. As her replacement, I bring experience in the New York State Department of Education to the job of administering AFSA's scholarship programs.

— *Gail Volk, Scholarship Administrator*

Retirement Interests

During 1990 the administration continued its efforts to cut back on federal retirement benefits, which, behind Social Security and Medicare, represent the third largest category of expenditures in the entitlements section of the federal budget.

The president's budget for 1991, introduced in January 1990, proposed cancelling the 1991 federal retirees' cost-of-living adjustment (COLA) and limiting the COLA in subsequent years to the rise in the Consumer Price Index (CPI) minus 1 percent. The budget also made provision for eliminating the "lump-sum withdrawal" option for employees retiring in the new fiscal year.

Efforts to reach agreement between the budget committees of Congress and the administration on a budget resolution for 1991 were stalled until the president finally retreated from his "no new taxes" campaign pledge in June. Even so, differences over what taxes would be levied and what programs would be cut continued to block a consensus on a 1991 budget blueprint almost until the final adjournment date of the 101st Congress.

A FSA is a founding member of a coalition of 27 federal employee and retiree groups that worked continually through the year to oppose cutbacks in the retirement system, particularly the proposal to cancel the 1991 COLA. The coalition was successful in generating broad support in both houses of Congress to preserve the COLA. 339 cosponsors signed on to H.R. 3914, introduced in the House by Representative Mary Rose Oaker (D-OH), and 67 cosponsors signed on to S. 416, introduced in the Senate by Pete Domenici (R-NM).

Thus, due in large measure to the efforts of the coalition, the COLA for 1991 survived the budget marathon intact. While the lump-sum withdrawal retirement option will remain in the law, this option will be available during the next five years only to those employees who are involuntarily retired or who are obliged to leave their employment because of injury or illness.

Legislation was introduced in the House by Representative Gary Ackerman (D-NY) to overhaul the Federal Employees' Health Benefits Program (FEHBP), but the pressure of other legislative business precluded congressional action on the bill before final adjournment. Health insurance reform remains a high priority, however, so it is expected that the issue will be addressed in the 102nd Congress.

— Robert Beers, Congressional Liaison

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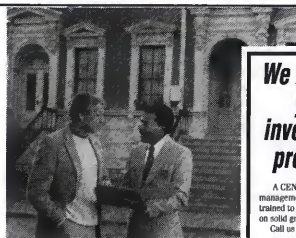
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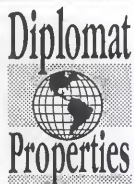
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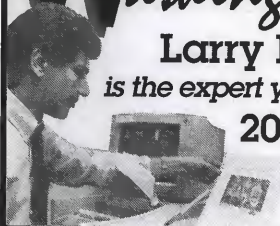
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Rethinking the information industry

Mac Jones
Editorial Assistant

Government speakers at AFSA's October 11 symposium urged private telecommunications companies to take advantage of embassy expertise in solving specific business problems abroad. Foreign Service officers excel at helping with specific needs, such as breaking into a new market, getting access to host country officials, and making timely contract bids. "Embassies are not staffed by businessmen," Under Secretary for Management Ivan Selin told conferees, "and it is not realistic to expect detailed business reporting on general business trends."

The symposium on telecommunications, entitled "U.S. Communications Inc." and held in the State Department, spurred debate between industry and government leaders concerning the nature of the assistance Foreign Service officers can most effectively provide.

James McKinney, chairman of the Advanced TV Systems Committee, called for a more "formalized flow of information" from individual posts to help high-tech industries. McKinney pointed out that embassies gather valuable economic information that is not made easily accessible.

Both Selin and Ken Bleakley, of State's Bureau of Communications and Information Policy, agreed that the Foreign Service should concentrate less on reporting general trade conditions than on trouble shooting and providing access for companies. Selin said the Foreign Service should

not supply experts specifically trained in certain sectors, such as telecommunications, but instead should devote more attention to general export promotion in order to expand the U.S. share of the telecommunications market. Susan Schwab, director general of the U.S. and Foreign Commercial Service, added that embassy staffs already have experts on industrial sectors among their Foreign Service National (i.e. local) employees. She encouraged businessmen to take better advantage of these embassy employees.

In his luncheon address, Representative Edward Markey (D-NY), chairman of the telecommunications and finance subcommittee, recommended formulating and implementing a national telecommunications "industrial policy" in order to strengthen the U.S. hold on the international telecommunications market. Where Japan



James McKinney of the Advanced TV Systems Committee (left) with Ronald Gavillet and Kathleen Hennessey

and Europe maintain centralized control over telecommunications policy, the United States spreads planning and oversight among several different government agencies. The result is "a patchwork quilt of regulatory, tax, trade, and anti-trust policies that frequently work at cross purposes, and a telecommunications industry that needs to focus more on long-term investment in emerging technologies and infrastructure." Markey advocated less emphasis on free market ideology and more on finding the most practical way possible to maintain the U.S. competitive edge.

Dance the night away!

Harking back to the almost forgotten tradition of Junior Foreign Service Officer Club balls, AFSA has recently been promoting idea of a dinner/dance in Washington. To that end, representatives from AFSA, the American Association of Foreign Service Women (AAFSW), and the Foreign Affairs Recreation Association (FARA) met on September 28 to begin planning the event. The date tentatively agreed upon was Saturday May 4, 1991—the day after Foreign Service Day. AFSA is now looking at several possible locations for the event. The planning committee is very small at this time—too small. If you are interested in helping, please call Deborah Leahy at 647-8160.

Retirement changes for 1991

Robert Beers
Congressional Liaison

After a record-breaking, contentious, and controversial 10 months of trying to put together a budget resolution for 1991 (originally due by April 15) the administration and Congress remained deadlocked over the issue of tax revenues and program reductions practically up until the adjournment date of the 101st Congress. Ironically, in January the president is to send Congress another budget, this time for FY 1992.

The principal change affecting federal retirement benefits is the virtual

elimination of the alternative form of annuity (AFA), also known as the "lump sum payment" option. While its legislative authority is retained, election of this option is suspended for five years, except for employees involuntarily separated from their jobs or those who are obliged to leave their employment because of illness or injury. The "window" during which all prospective Civil Service retirees could elect the AFA was scheduled to close November 30. The "window" closing date for Foreign Service retirees will be established by an executive order that has yet to be issued.

The coalition of federal employee and retiree organizations, of which

AFSA is the founding member, was largely responsible for retaining the cost of living adjustment (COLA) for 1991. Legislation to retain the COLA was introduced in the House (H.R. 3914) by Representative Rose Oakar (D-OH) and in the Senate (S. 416) by Senator Pete Domenici (R-NM). Largely through the coalition's efforts, 339 co-sponsors signed on the H.R. 3914, and 67 co-sponsors signed onto S. 416. Clearly this show of strong congressional support was an important factor in retaining the COLA rather than eliminating it, as favored by the administration. The 1991 COLA to be reflected in the January 1, 1991 annuity checks should approximate 5.4 percent.

News Briefs

Perkins testifies on employment practices

Foreign Service exam: For the first time since 1988 the Foreign Service exam was offered to applicants on October 27. Edward J. Perkins, director general of the Foreign Service, told joint congressional subcommittee hearings that the department plans to make job offers to successful 1990 examinees by June 1991, reducing from as much as 24 months to eight months the time lapse between the examination and employment offers. Perkins also reported that arrangements were made to accommodate 20 physically handicapped test takers at test facilities.

EEO: While acknowledging that State's equal employment opportunities need to be broadened at the middle and senior levels, Perkins testified that he is working with Audrey Morton, deputy assistant secretary for equal employment opportunity, to recruit more women and minorities into the junior ranks of the Foreign Service. Recruitment efforts are currently focused on historically black and Hispanic colleges and institutions. He encouraged the enactment of minority internship and scholarship programs at the State Department to facilitate minority recruitment.

Sexual harassment: Perkins concluded by saying that the State Department is undertaking a study mandated by Congress in 1989, of sexual harassment in the workplace. The study should be finished in mid-1991.

State continues to deny lease reimbursement

AFSA recently questioned a change in practice by the Bureau of Finance and Management Policy (FMP) that denies employees enrolled at the Foreign Service Institute on temporary duty full reimbursement for "front-loaded" leases (i.e., leases showing declining rent). AFSA subsequently raised the issue with management, which provided a less-than-satisfactory response. The department maintains that until GAO issues a ruling on the matter, FMP may not fully reimburse employees who are claiming expenses stemming from front-loaded leases. AFSA argues that unless GAO renders a finding that invalidates full reimbursement for front-loaded leases, the department should adhere to its traditional practice of providing such reimbursement. We will continue to press management on this issue.

Utility charges

AFSA has received several cables regarding a proposed plan to levy an extra charge on utility use at some posts. While post management does have the right to put forward such proposals, the AFSA representative at post is entitled to consult with management to ensure that a reasonable, workable plan is developed. For comparison points, we recommend that employees review plans implemented by other posts. Embassy Manila, for example, adopted a plan that appears to have satisfied both employees and management; it is structured so that a surcharge would apply only to employees who are truly wasteful in their energy consumption. Anyone desiring more information on this subject should contact AFSA's Member Services Department.

Furlough threat

Richard Milton
State Vice President

Despite what each side would call its best efforts, neither Congress nor the White House came through autumn looking fiscally responsible. With a full appreciation of the seriousness of the federal deficit, AFSA finds it appalling that a shutdown of the national government should become even a distant possibility.

Oddly, we found that although equally distasteful, a "lapse of funds" emergency was considerably less difficult to manage than furloughs under a Gramm-Rudman-Hollings Act sequestration. For the former there are precedents and legislation that allow some flexibility in maintaining essential services. Furthermore, those who have been asked to work despite the lack of funding have always been compensated eventually. In fact, even those sent home have later been paid. Sequestration is no longer a threat in FY 1991, but we do not yet know how the administration will seek to enforce budget deficit reduction targets for FY 1992 and beyond.

ORE update

Deborah Leahy
Member Services

AFSA continues to investigate the new IRS ruling which revokes tax exemption on the 5 percent deduction for official residence expenses (ORE) on the grounds that the deduction is for "usual expenses."

Government regulations regarding ORE tend to agree with the new IRS ruling by defining ORE as "those unusual expenses which a principal representative is obliged to incur in the operation and maintenance of a suitable official residence." Section 440 of the Standardized Regulations defines "usual expenses" as "the amount of annual usual household expenses that must be borne personally by a principal representative regardless of rank or grade" and sets these expenses arbitrarily at 5 percent of salary.

AFSA is pursuing this issue on two levels. First, we have requested a meeting with management to explore exactly what "usual expenses" are actually being paid by the U.S. government abroad. Second, we are gathering data from the field on how much employees themselves spend annually for "usual expenses." AFSA sent a letter to all post AFSA representatives requesting that they gather as much data as possible on this issue.

Pouch problems

Catherine Schmitz
Member Services

An experiment aimed at improving AID pouch service was prematurely and incorrectly implemented in early September, resulting in the accidental dispatch of five posts' mail through the international mail system. A panoply of problems resulted, including opened packages, charges for postage due, and mail that was either late or lost altogether.

Upon learning of this debacle, AFSA promptly contacted AID;

pouch officials explained that the problems had stemmed from AID plans to conduct a test to determine ways in which mail service to the field could be expedited. These plans were put into effect in early September by a new contractor who had apparently misunderstood the agency's instructions. AID claims that the contractor not only executed the experiment prematurely, but in so doing erroneously routed pouch mail for five posts (Bissau, Niamey, Accra, Bamako, and New Delhi) through the international mail system.

It took several weeks for the contractor's error to come to the attention of AID, which immediately took action. Although the agency is still contemplating a test program at some future date, none is currently under way, and AID has assured us that AFSA will be consulted before any such action is undertaken. The association will take all possible steps to ensure that there are no more disruptions to AID mail service.

"Views" continued

for career personnel to serve at USUN in New York; and as necessary provide authority for the creation of a Foreign Service Reserve corps.

Other inequities would best be addressed by legislation covering all federal employees. AFSA will support action by Congress: to circumvent the president's 1990 veto of family leave legislation; to impose timing and other procedural limitations on "open" security investigations and suspended security clearances; to liberalize "Fly America" restrictions on the basis of reciprocity; to allow EEO complaints to be pursued through grievance channels; and to oblige the government to pay interest on delinquent payments for vouchered expenses, to the same extent that it charges interest on unpaid accounts. If government-wide remedies are blocked, we will seek them in Foreign Service legislation.

One other responsibility rests particularly with the Senate. That is to give a timely and full hearing in committee to the administration's nominees for foreign affairs positions, and to vote up or down to confirm them. Once again in 1990, groups of ambassadorial nominees were held up for months from getting on with the nation's business abroad at the caprice of an individual legislator. Three had to wait until the last hour of the 101st Congress. Three others—all veteran career officers, all guilty only of carrying out the administration's foreign policy—have been held over in varying stages of the confirmation process. The process is both wasteful and humiliating. As a priority item for 1991, the Senate leadership of both parties should agree on procedural reforms to limit the time period that nominations can be held up in committee. The principle of majority rule demands no less.

— Ted Wilkinson

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AFSA/DACOR cooperation on scholarships

AFSA will administer DACOR Bacon House Foundation (DACOR) scholarship funds up to a \$35,000 ceiling per year to benefit children of U.S. Foreign Service personnel. DACOR is the acronym for Diplomatic and Consular Officers, Retired. The collaboration will begin during the 1991-92 academic year and operate for a two year trial period. AFSA President Ted Wilkinson said, "The effect should be to increase by a substantial percentage the amount of scholarship assistance AFSA is able to provide deserving students. At a time when education costs are increasing dramatically, the need for cooperation in providing assistance to our Foreign Service children has never been greater."

The scholarships will bear the name of Heyward G. Hill, a member of DACOR whose generous bequest has made the grants possible. Individual awards of up to \$2,500 will be made annually on a competitive basis to students for their junior and senior years who are academically worthy, demonstrate financial need and are committed to a major related to for-

eign affairs. In expressing the hope that AFSA administration of these grants can be made permanent in time, DACOR President Claude Ross pointed out that "through this collaboration, we hope to encourage careers in the Foreign Service."

The AFSA Education Committee chairman, Ambassador Jack Lydman, mentioned that this cooperation adds the important ingredient of Foreign Service retirees into the mix of organizations providing scholarship support for deserving Foreign Service dependents. "The Committee on Education is pleased and proud to be joining in collaboration with DACOR Bacon House. The Heyward G. Hill Memorial Scholarships encourage our youth to a noble calling, service to our nation abroad through government or private sector activities. In addition to donations from individuals, the Foreign Service also benefits from the generous annual donation made by the American Association of Foreign Service Women. This donation derives from proceeds of the highly successful BOOKFAIR the AAFSW sponsors."

AFSA has been providing scholarships to Foreign Service dependents since 1926. AFSA scholarships are awarded on merit to high school seniors and on financial need criteria in all academic fields for study beginning in the freshman year of college. This

year, AFSA scholarship programs funded \$96,000 in awards to 108 students.

DACOR has been awarding graduate fellowships for study of foreign affairs for 15 years. Bill Hamilton, chairman of the Education Committee of the DACOR Bacon House Foundation commented that as Foundation programs expand to include support of undergraduate education in foreign affairs fields, it is satisfying to start with a project of direct benefit to Foreign Service families. Questions concerning DACOR and its activities may be directed that organization, 1801 F Street NW, Washington, D.C. 20006, telephone (202) 682-0500.

Inquiries regarding the AFSA Scholarship Program, including the DACOR Bacon House Foundation Heyward G. Hill Memorial Scholarship Program, for Foreign Service dependents should be directed to the AFSA Committee on Education, 2101 E Street, N.W., Washington, D.C. 20037, attention Gail Volk, scholarships administrator, Tel: (202) 338-4045.

1991-92 SCHOLARSHIP APPLICATIONS AVAILABLE

Eligibility: Dependent students of all Foreign Service personnel in State, AID, USIA, Commerce, or Agriculture who are serving or have served abroad.

Merit Awards: For graduating high school students in 1991 only, based on academic merit.

Financial Aid Awards: For full-time undergraduate students in the United States, based on need.

Deadline: Applications must be completed and returned to AFSA before February 15, 1991.

CALENDAR

December 6: AFSA's annual meeting, Foreign Service Club

January 31, 1991: Deadline for AFSA award nominations

February 7: AFSA Conference on "The International Search for Energy"

February 15: Deadline for AFSA scholarship applications

March 8: AFSA Conference on "State and Local Government Involvement in International Commerce"

April 4: AFSA conference on "Business Opportunities with Mexico"

May 3: Foreign Service Day

May 4: AFSA Dinner Dance

AAFSW at 30

Deputy Secretary Lawrence Eagleburger and Director General of the Foreign Service Edward Perkins called on the Association of American Foreign Service Women (AAFSW) at its 30th anniversary celebration October 9 to continue pushing for equality in the Foreign Service. AAFSW has "changed the way [the Department of State] thinks about the role of women and the role of minorities," said Eagleburger, and "it is simply not acceptable . . . that the U.S. be represented by an institution abroad that is not totally representative of its country."

Referring to the need for the Service to respond to the changes taking place around the world, Perkins said that Foreign Service officers must "be people who understand conflict resolution very well..." He said the State

Department should follow AAFSW's lead "in making sure that spouses and family members will also be able to contribute to this new world that we have." Perkins said he hoped soon to present all the foreign affairs agencies with a plan to make better use of family members in such areas as economics, political reporting, consular, and administrative affairs. "I am committed to a Foreign Service that is representative of what our country stands for," he said.

Maryann Minuttillo, director of the Family Liaison Office, called the record of AAFSW's achievements "strong and clear." "All . . . who are party of the Foreign Service community in any way have benefitted from AAFSW's efforts."

Former Secretaries of State William P. Rogers and Cyrus R. Vance were also guest speakers, together with their wives, Adele Rogers and Gay

Vance. Many well-wishers crowded the Benjamin Franklin Room for the event.

REWARD NOTEWORTHY ACCOMPLISHMENT

The American Foreign Service Association urges everyone to submit award nominations for outstanding colleagues.

A new award has been established this year for Foreign Service secretaries!

The *Christian A. Herter Award* is conferred on a senior officer.

The *William R. Rivkin Award* is for a mid-level officer.

The *W. Averell Harriman Award* is given to a junior officer.

The *Avis Bohlen Award* recognizes volunteer work by a Foreign Service family member.

The *Matilda W. Sinclair Awards* recognize achievement in the study of hard languages.

Details were in the previous issue of the JOURNAL and are being sent to all AFSA members and post representatives. Information and nomination forms can also be obtained from Awards Committee, AFSA, Room 3644 NS, Department of State or 2101 E Street NW, Washington DC 20037, or by phoning AFSA's Coordinator for Professional Issues, Dick Thompson, at 202-338-4045. Nominations are due by January 31, 1991.

Answers to Foreign Service Quiz (page 8):

1. Thomas Jefferson (minister to France), John Quincy Adams (minister to the Netherlands), James Buchanan (minister to St. Petersburg), Herbert Hoover (U.S. Food Administrator and chairman of Relief Commission in Belgium), and George Bush (UN ambassador, envoy to China)
2. Charles Francis Adams, minister to the Court of St. James, expressing his concern to the British foreign secretary over England's plans to build the "Confederate ram" ship.
3. Union General Dan Sickles, accredited to Spain
4. John Bingham (1873-85)
5. Seven and a half—two principle clerks, three ordinary clerks, two office keeper/messengers, and one part-time French translator.

AFSA Awards: Recognizing Outstanding FSOs **July**

AFSA Merit Awards: Profiles in Scholarship **September**

AFSA Tax Guide **February**

AID: Development and the National Interest, by C. Stuart Callison **January**

AID: Mandates for AID Reform, by Randal Joy Thompson **January**

AID: Thailand's Success Story, by Robert Muscat **December**

AID: When the Peace Corps Joins AID, by Kitty Thuermer **January**

Anderson, Jim, After the Revolution **April**

ART: Preserving the World's Artworks, by Lewis K. Elbinger & Leslie Brenner **April**

Baba and Fazl Inc., by Bette J. Cruitt **August**

Bellis, Diane, Carl Sagan's Crusade **October**

BOOKS:

January

Egypt After Nasser

Preventing World War III: A Realistic Grand Strategy

Regional Conflict & U.S. Policy: Angola and Mozambique

The Moving Experience: A Practical Guide to Psychological Survival

Miracle on the Potomac: The Kennedy Center from the Beginning

February

Final Warning: Averting Disaster in the New Age of Terrorism

The U.S.-Turkish-NATO Middle East Connection

March

Conflict and Peacemaking in Multiethnic Societies

Rebellion and Repression in the Philippines

The New Image Makers

April

NATO in the 1990s

Collective Defense or Strategic Independence?

Two NATO Allies at the Threshold of War

Peace for Our Time

Bananas, Beaches, and Bases

May

Dictionary of American Diplomatic History

Diplomacy Under a Foreign Flag: When Nations Break Relations

Immigration and the Politics of Citizenship in Europe and North America

Terrorism: The Newest Face of Warfare
Iran's Revolution: The Search for Consensus

Managing International Assignments

June

Perestroika Annual: Volume Two

The Awakening of the Soviet Union

Soviet History in the Gorbachev Revolution

Perestroika in Perspective

The Other Side of the Table

Meeting Gorbachev's Challenge

Negotiating with the Soviets

Bingham of the Hills

A Unique Relationship

Debt and Crisis in Latin America

The Transition to Democracy in Spain

and Portugal

July

Pattern of Circles

Countenance of Truth

Argentina: Political Culture and Instability

The New Realities

Barbarian Sentiments

Hemingway in Love and War

A Native's Return 1945-1988

August

About Face

Slow Burn

Second Chance

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