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FEBRUARY 1994

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# PRESIDENT'S VIEWS

## FACING THE DOUBLE CHALLENGE

As the "Reinventing Government" juggernaut gathers momentum, major alterations of the foreign affairs bureaucracy are moving into view. Even as we grope to define a new international role for our country on the post-Cold War stage, with no clear vision yet of the denouement, parts of the system that have served us passingly well for the last 40 years are being scrutinized for a profound overhaul. With President Clinton committed to eliminating 250,000 federal jobs in the next five years, and the popular gaze focused on domestic issues, how could it be otherwise?

All five foreign affairs agencies face unprecedented change — reorienting, restructuring, downsizing. But USAID — that perpetual political football — has been targeted for big-time renovation. Congress, for reasons it has failed adequately to explain, has required the USAID administrator to submit by March 31 draft legislation to integrate the agency's existing Foreign Service and general schedule personnel systems into a single system. If Congress were to adopt such a plan, it would, for all intents and purposes, eliminate the USAID component of the Foreign Service as we know it today.

Meanwhile, midway down the Mall, task forces at Commerce and Agriculture are mulling over plans that would absorb the tiny, but critical, foreign commercial and agricultural services into the vast bureaucracies of their respective departments. And if the logic of these proposals prevails, is there any reason to believe that the Foreign Services in USIA and even State might not be in jeopardy?

Lest we be accused of getting ahead of ourselves, it must be underscored that the personnel system overhaul process is still in its early stages. There is still opportunity for AFSA to influence the outcome. How are we Foreign Service professionals going to do business with management in this new age of "partnership"? We face the double challenge of developing interest-based bargaining systems in the five foreign affairs agencies while negotiating on issues whose long-term impact on us will be greater than anything ever placed on the bargaining table.

The managements of the State Department and USIA have embraced the "partnership" concept and have signed "partnership" agreements with AFSA. We hope soon to sign, together with AFGC, a similar agreement with USAID, and begin to develop a "partnership" spirit there, as well.

All the agencies are moving away from the old-style authoritarian, top-down approach in dealing with labor, shifting to a public relations approach to win the hearts and minds of employees without engaging in direct hard bargaining with the unions. Unfortunately for management, the issues are too tough and the employees' interests are too diverse to get employee consensus through the PR approach alone.

To their credit, USIA and the State Department have begun to include union representatives in key predecisional personnel policy meetings. This is a small beginning, but it is not nearly enough. The wrenching changes we are facing, in restructuring, downsizing, and reorganizing, challenge some of our principal values. Foreign Service professionals, represented by their union, must be involved in the process from the word go. Through "partnership" councils, the management of USAID and the other agencies must, from the outset, work together with their Foreign Service employees to define the issues and options for their resolution.

Not only is this good, state-of-the-art management; the executive order on "partnership" requires it. It's time all agencies got with the program.

—TEX HARRIS



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# FOREIGN SERVICE JOURNAL

FEBRUARY 1994

VOL. 71, NO. 2

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FOREIGN SERVICE JOURNAL (ISSN 0015-7279), 2101 E Street, N.W., Washington, D.C. 20037-2990, is published monthly by the American Foreign Service Association, a private, non-profit organization. Material appearing herein represents the opinions of the writers and does not necessarily represent the views of AFSA or the JOURNAL. Water queries are invited.

JOURNAL subscription: AFSA Members - \$9.50 included in annual dues; others - \$40. Overseas subscription (except Canada) - \$50 per year. Airmail not available.

Second-class postage paid at Washington, D.C. and at additional mailing offices. Postmaster: Send address changes to FOREIGN SERVICE JOURNAL, 2101 E Street, N.W., Washington, D.C. 20037-2990.

Microfilm copies: University Microfilm Library Services, Ann Arbor, Michigan 48106 (October 1967 to present). Indexed by Public Affairs Information Service (PAIS). Advertising inquiries invited. The appearance of advertisements herein does not imply the endorsement of the services or goods offered. FAX: 202/338-0820 or 202/338-8244 • TELEPHONE: 202/338-4045 or 338-4054.

© American Foreign Service Association 1994  
Printed in the U.S.A.

Send address changes for the *Foreign Service Journal* to AFSA, 2101 E Street NW, Washington, DC 20037-2990

## The Cover:

Illustration by **Lurie**

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International Syndicate, New York

Coloration by Theresa Aurricchio



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# LETTERS

## Exiting from the Top

To the editor:

Ambassador [Lannon] Walker (December 1993) has correctly identified the major problems currently facing the Foreign Service. I take issue with some of his solutions, however.

Egress at the bottom, only, is too slow; there must also be egress at the top. While our current system forces out the rapid risers, the military has a far better approach. Generals have a longer total career than colonels. Why is it so hard for the Foreign Service to combine rank and total length of service?

Ambassador Walker's proposal to place more responsibility for personnel decisions in the bureaus would

only exacerbate the current tendency to fractionalize the service into independent fiefdoms. The problem is not that the central personnel system is too strong; it is, in fact, too weak! Most foreign ministries have a strong permanent secretary who controls the personnel process. We ought to elevate the director general to a level where he or she can exercise the necessary authority to enforce discipline on the system.

The ambassadorial assignment process is in shambles mainly due to the system of filling posts one at a time with separate lists of candidates for each post. Posts ought to be filled in batches with candidates selected from a group of qualified officers compiled

by the director general. The Service should not abdicate this responsibility to an outside panel of "experts."

While I may take issue with some of Ambassador Walker's prescriptions, I wholeheartedly embrace his central tenet: The Foreign Service personnel system is facing a crisis. We do not need another study commission, however. What we need is for the senior levels of the Foreign Service to step forward and join the debate Ambassador Walker has begun. When the late Phil Habib was under secretary for political affairs, he used his prestige to force the system to issue a second promotion list one year when the first list was unconsciously skimpy. It is up to the current "giants" of the

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Service to make a similar contribution to tackling the urgent management crisis we face.

*Joseph A.B. Winder  
INR/EC  
Washington, D.C.*

## Is Anybody Listening?

To the editor:

Ambassador Lannon Walker's "Speaking Out" article (December 1993) is the latest of numerous well-considered prescriptions over the years by many people for improving the Foreign Service personnel system. But is anybody listening?

A brief account about one of the subjects Ambassador Walker mentioned — multifunctionality — shows how bad things have become. The original concept of multifunctionality (MFL) was to develop a larger number of broadly experienced officers by encouraging people to accept non-mainstream, out-of-cone jobs, for example, in functional offices such as the Bureau of Oceans and Interna-

tional Environmental and Scientific Affairs (OES). In return, they could be granted the multifunctionality skill code, with promotion prospects enhanced thereby. As a political officer, I was invited to join OES in 1990. I did so under the above MFL rubric. But afterward the MFL rules were changed: In order to acquire MFL, the "appropriate complement" to a political officer's skills was said to be sufficient "resource management." PER stipulates internally that "resource management" is management of things such as budgets, but not of people and staffs, or processes and projects.

PER's fixation on material resource management is ironic, to say the least, given that senior officials constantly proclaim that the department's main resource is its people. By whatever logic, Personnel holds that administrative and consular officers can generally derive MFL from OES jobs, but economic and political officers can not. Furthermore there are absolutely

no published or accessible criteria on how PER measures resource management: By dollar amounts supervised? By percentage of time spent? By number of vehicles supervised in the motor pool? The unwillingness to disclose what criteria PER applies is tantamount to managerial fraud. But where is the inspector general? Where, for that matter, is AFSA?

PER held without explanation or elaboration that my OES job did not entail "enough" resource management for me to qualify for MFL. Recourse to the Foreign Service Grievance Board was futile.

PER's application of multifunctionality has become a sham. One despairs that a personnel system so questionably managed and lacking effective checks, even by the supposedly independent and impartial Grievance Board, is capable of self-correction. The country deserves better.

*Thomas Longo Jr.  
Retired FSO  
Falls Church, Va.*

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## Down With Diversity

To the editor:

In "Speaking Out" (December 1993), Mr. Lannon Walker calls for "diversity" in the Foreign Service. Yet, like all his predecessors, he does not provide convincing reasons why we must have this quality. In my view, it is not defensible for government to pursue it, and there is no evidence that it is even desirable.

I assume that diversity means the inclusion of various U.S. ethnic groups and genders. Those who think this necessary to the work of the Service must describe the unique qualities of each of the various groups and demonstrate the applicability of those qualities to the mission of the Service. Unless various groups can be shown to have such unique qualities, there can be no justification for management to promote diversity, except for the fact that diversity placates.

If you publicly ascribe certain unique qualities, useful to the service, to, for example, Hispanics, you will necessarily be telling whites and blacks that they do not have those qualities. Expect some flack from those who believe that we are all created equal—including me.

Before the Civil Rights Act of 1964, and the many subsequent laws on this subject, simple fairness was a valid argument for including those who had been excluded. No longer. Opportunity is there for all Americans today, excepting only the very poor, and theirs is not an ethnic but a cultural problem.

As for the argument that we must "look like America," that is cosmetics raised to absurdity.

*William H. Mills  
Retired FSO  
Kilmarnock, Va.*

## Clean Our House First

To the editor:

AFSA's stand in opposition to political ambassadorships (December 1993) places all Foreign Service officers in a difficult but necessary position in defense of the Service. As Tex Harris said in the *Los Angeles Times*:

"There has to be a system of performance accountability for both career and political appointees. We can't afford the marginal performers who are now protected by the spoils system."

So much for political appointees. What about marginal performers among career FSOs, who should have more accountability professionally, but who are now protected by the department's good ol' boy network?

Perhaps we should clean our house before we take on the White House.

*Thomas M. King  
FMP/BP  
Alexandria, Va.*

## The Credibility Trap

To the editor:

I was particularly interested in Tex Harris's comments in the December *Journal* regarding ambassadorial appointments. While I agree with most of the sentiments, I fear that it fell into the same credibility trap which has ensnared virtually every other professional addressing this subject.

It is a necessary—but not sufficient—condition to point out that party loyalty and/or generosity comprise the majority of certain political appointees' otherwise modest qualifications. However, the missing link in these efforts is any balancing evaluation of career professionals' qualifications for ambassadorial appointments. The failure to criticize the nominations of certain career ambassadorial candidates, as well as those of political appointees, reduces AFSA's testimony to easily dismissed special-interest pleading.

Of course our comforting assumption is that, as long-term career professionals in the foreign affairs agencies, we almost automatically qualify for chief-of-mission status. Most of us have suffered through excruciating tours under career principal officers who should have been thrown out of the Service years ago for incompetence, malfeasance, blatant sexual misconduct, psychiatric impairment, alcoholism, drug addiction, grave security violations, or plain theft of govern-

ment property. We all have our war stories. On the other hand, many of us have worked for political ambassadors who were first-rate—our initial misgivings notwithstanding.

If AFSA, the seniors, DACOR, or any other group purporting to represent the career finds it necessary to testify against specific political appointees, it must be willing equally to oppose in public that scattering of substandard candidates from within the Foreign Service who clearly are underserving of consideration for the U.S. government's most prized assignments.

AFSA should insist that any career ambassadorial candidate must have area experience and language competence relevant to the country for which he or she is proposed. Any perceived lack of credibility on our part causes even justified testimony against political beneficiaries to fall deaf on Senatorial ears.

*Taylor Jesse Clear  
FSO  
Vienna, VA*

## Health Care Reality

To the editor:

I continue to be astonished at the lack of insight shown by AFSA leadership in regard to the proposed changes in the department's health program (December 1993). Rather than resisting the inevitable, the union should lead the reassessment.

Stated bluntly, the department's health program is incoherent and hopelessly out of date. Quite unbelievably, the Foreign Service regulations provide incentives for costly hospitalization rather than less expensive outpatient care. For example, if a person is hospitalized for an illness occurring overseas, whether caused by the overseas Service or not, full payment is made for the costs of hospitalization and related outpatient expenses for a year. There are no payments by the department if the care is provided as an outpatient and not associated with a hospitalization.

When such a hospitalization occurs, the government, after paying the

bill, asks those with insurance to file for reimbursement and turn over the insurance payment. If the insurance does not completely cover the costs of hospitalization, that residual portion is covered by the department so that there is no out-of-pocket expense for the employee. If an employee does not submit his or her bills to their insurer, the employee is harassed by the department for money that is "owed."

Quite incredibly, if the person were hospitalized and had *no* insurance coverage, the entire bill would be the responsibility of the department. The employee would not have to pay any portion of the bill or submit anything for reimbursement.

If anyone can explain the reasoning behind such policies he should seek his next assignment in M, IG or PER — bureaus that have allowed such policies to exist. These policies are nonsensical and an embarrassment when compared with other institutions.

As the budget crunch continues, the department will be forced to join the real world. There will be no incentives for hospitalization. There will be no subsidies for those who choose not to join the health insurance program. Like everyone else, deductibles and co-payments will become the rule. The system will encourage careful economical health care choices by both employees and providers.

In a broader sense, employees are going to be judged by their productivity and leadership. Their use of resources, human and material, will have to be comparable with those found elsewhere in order to be survive. If State wishes to avoid the fate of such dinosaurs as U.S. Steel, Garfinkels and our beloved Pan Am, it will have to change — and quickly.

Union leadership should become informed and play a constructive, not obstructive, role. There is no free lunch whether you are in the private sector or are a federal employee.

*Paul A. Goff  
Retired FSO  
Bellingham, Wash.*

## 99 Percent Don't Care

*To the editor:*

I have just finished reading Brandon Grove's interview, "The Agony of Dissent" (November 1993).

I venture to say that 99 percent of the American people within the beltway don't give one hoot about their resignations over a disagreement with a part of our foreign policy and that 99.99 percent of the American people outside the beltway don't give a hoot either.

If you can devote space in this publication to four people who resigned over a policy disagreement, how about devoting space to a series of articles on the resignations of Foreign Service officers, Foreign Service doctors, Foreign Service information systems managers, Foreign Service secretaries, Foreign Service nurses, etc.? I think you and the readers will be in for a real

eyeopener on what is wrong at the Department of State.

*Paul A. Bialecki  
FSO  
Helsinki*

## No Hari-Kari Planned

*To the editor:*

I would certainly have a lot more respect for the views of those officers who resign "in protest" if it didn't seem that they had already lined up another good job, often on some congressman's staff (November 1993). Some hari-kari! I wonder if they would express their protest if there were no job waiting for them when they resigned? Or if they were leaving the Service to sling hamburgers?

Should the headlines better read: "State Officers Change Jobs to Protest Policy?"

*John Hols  
Retired USIA  
Spokane, Wash.*



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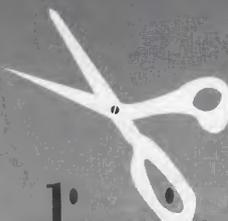
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## Christopher Pushes for \$3 Billion More for Programs

Secretary of State Warren Christopher vigorously lobbied the White House to add nearly \$3 billion to the foreign affairs budget for fiscal 1995, according to a Dec. 17 *Washington Post* story by Thomas W. Lippman. Christopher has telephoned and written to the president and National Security Adviser Anthony Lake, warning that foreign policy goals cannot be achieved without the extra funds. Officials in the State Department claimed that Christopher has invested more personal energy and political capital than any other cabinet official in building his case. USAID Administrator J. Brian Atwood, supported by a lobbying consortium of international voluntary organizations, has

tried to show how the OMB budget baseline would decimate programs in child survival, family planning and education.

Under the proposed aid revisions, Lippman claims "security assistance" would be scrapped and investments would be made in improving the lives of the poor, the sick and the disenfranchised to avoid the crisis of "failed states." All programs would emphasize women's rights and protection of the environment.

It was late September when the secretary belatedly perceived the consequences of OMB's proposed spending limits. State Department officials said Christopher blamed

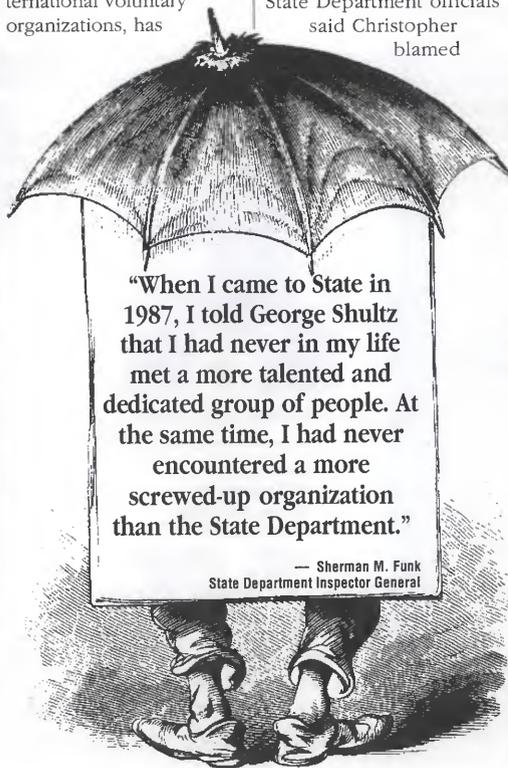
then-deputy Clifton R. Wharton for failing to alert him earlier, a factor that contributed to Wharton's forced resignation, according to Lippman.

A senior department official stated, "The secretary of state is personally engaged in trying to find the resources consistent with the president's commitments." Christopher has made a tactical decision not to suggest to Clinton where the additional money should come from, but others in the State Department are less reticent. Lippman says they think the defense and intelligence budgets should be targeted. "Where was it written in the constitution that we have to have 12 [aircraft] carrier groups?" asked Counselor Timothy E. Wirth. ✂

## USIA and AFSA Become 'Partners'

*The Washington Times* reported that an accord with USIA allows two unions a partnership voice. Greg Pierce reported that USIA and its two unions, AFGE and AFSA, which had been arguing with management over agency streamlining, have signed a labor-management partnership agreement.

Labor and management agreed on four working groups to include union representation that would recommend agency reorganization. Under one proposed plan, USIA would lay off 30 reporters on its overseas news service and eliminate four magazines employing 54 persons. ✂



**"When I came to State in 1987, I told George Shultz that I had never in my life met a more talented and dedicated group of people. At the same time, I had never encountered a more screwed-up organization than the State Department."**

— Sherman M. Funk  
State Department Inspector General

## Our Man in Bern

Jack Anderson, in his Dec. 20 column in *The Washington Post*, was frank in his assessment of the controversial nomination of Larry Lawrence as ambassador to Switzerland. "If the Senate confirms Larry Lawrence ... as our next ambassador to Switzerland, our man in Bern will be learning on the job." AFSA opposed the nomination before the Senate Foreign Relations Committee in November, claiming that people who are not well qualified can harm U.S. diplomacy.

Anderson quoted a career Foreign Service official as saying, "[Unqualified people] either embarrass the United States or have to be carried by career Foreign Service officials." The secretary of state promised the Senate earlier this year that, "Recommendations for ambassa-

dorships will be based upon qualifications that extend beyond campaign participation and will require some real expertise with respect to the appointment." However, Anderson said, "nearly one out of five [20 percent] Clinton appointees has been a political, not a career, ambassador. ... In comparison, 29 percent of ambassadorships in the Bush administration were political." ❧

## Oakley Details Somali Problems

Special envoy Robert Oakley said the mission to save millions of Somalis from starvation was largely successful, but that the United States and other countries learned bitter lessons about the "limitations of trying to get too deeply involved in somebody's else's country

and trying to resolve" its problems. A *Washington Times* article of Dec. 18 by Warren Stobel reported on Oakley's address to the Overseas Writers Club. "The [U.N.] Security Council didn't think it through," maintained Oakley. Once peacekeepers choose sides, "ultimately you have to occupy the country." He continued, "I happen to agree with Congressman [Lee] Hamilton [D-Ind.], which is that Congress is really turned off of peacekeeping." Of the situation in Somalia,

Oakley contended, "It's not Afghanistan yet. ... But it's a little more complicated than it was before." ❧

## Praise for Talbott

AFSA President Tex Harris, in an interview on Fox News on Dec. 29, welcomed the appointment of Strobe Talbott as deputy secretary of state. "Mr. Talbott is just the sort of person that the Foreign Service would like to see named to all non-career diplomatic posts. ... Mr. Talbott has worked very closely with the Foreign

# 50 years ago

## Specialists Wanted

In the February 1944 *Journal*, Assistant Secretary of State G. Howland Shaw addresses the problems of the Foreign Service in finding the specialists needed in the post-war period.

It is our intention to hold a regular Foreign Service examination immediately after the war and presumably we shall obtain a large number of successful candidates... Before this examination can be held and successful candidates integrated into the career service, the demand of the post-war period will be upon us. How are we to meet them?

"In collaboration with other departments

and agencies of the government we can supplement the Service to insure that the Service is adequate to carry on... the specialized types of work for which there is a steadily growing demand. Eventually, with the building up of an adequate corps of specialists within the career Service, we should have a diminishing need to recruit specialists from the outside.

"It is of vital importance that we have a Foreign Service fully adequate to meet these future demands and that this Service be administered by the Department of State." ❧

## Watchdog Leaves State Department

Sherman M. Funk, the State Department's first non-career inspector general, plans to retire on Feb. 15, according to John M. Goshko in a Dec. 12 *Washington Post* story. After 6 1/2 years of heading investigations of wrongdoing and waste in the department, including the preelection passport file search, Funk said his resignation was completely voluntary. It was in 1986 that Sen. Jesse Helms (R-NC), a critic of the idea that career diplomats could police themselves, persuaded Congress to

pass a law requiring the inspector general to be chosen from outside the Foreign Service. However, this year

Helms, disenchanted with Funk's performance, unsuccessfully tried to pass legislation that would limit the IG's term to six years.

Funk said of his years of looking for the dark side of diplomacy, "I'll leave feeling very frustrated and irritated that we somehow can't seem to get all that brilliance [in the State Department] meshed in ways that would make for a more effective department." ❧



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## clippings and comment

Service and has demonstrated great respect for and reliance on their indispensable talents and expertise. ... We look forward to ongoing collaboration with him."

According to senior officials at the State Department, Strobe Talbott's appointment is part of a broader effort to shore up

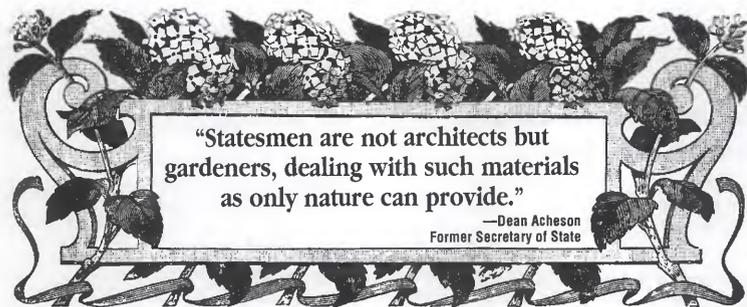
two weaknesses for which Secretary Christopher has received criticism in his first year: An uninspiring manner in public presentation and a slowness to anticipate potential crises. Daniel Williams wrote in *The Washington Post* on Dec. 29 that observers at the State Department compare the expanse of

Talbott's role with that of another activist deputy, Lawrence Eagleburger. But some wonder whether Talbott's limited experience within State's bureaucracy would hinder his handling of the traditional chore of budget management.

Talbott had no government experience when his

longtime friend Bill Clinton tapped him as ambassador at large. Mark Matthews in *The Baltimore Sun* on Dec. 7 noted that with astonishing speed, the former editor at *Time* has become the unchallenged architect of America's post-Cold War policy toward the former Soviet Union. Matthews reports that he's using his clout to give unwavering support to President Boris Yeltsin.

Talbott turned to journalism after he and Clinton met in England when the two were Rhodes scholars. Over the next 25 years, while reporting for *Time* and writing eight books, he became a leading chronicler of the Cold War and its af-



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termath. Matthews says, "Although not noted for management skills, Talbott has demonstrated an amazingly quick grasp of the levers of government. Outpacing diplomatic veterans, he has helped sway internal debate in Russia's favor in areas stretching beyond his portfolio."

Doyle McManus in the *Los Angeles Times* on Dec. 27 said that by selecting Talbott, Christopher seems to have taken a giant step toward increasing the amount of attention the president pays to foreign issues. This past year, Christopher has struggled to convey a sense of purpose in foreign policy, but the failure of diplomacy on Bosnia, and the jumble of voices on other issues

made it an uphill fight, noted McManus. In October, the debacle in Somalia and the setback in Haiti convinced both Clinton and Christopher that the administration's foreign policy machinery needed a serious overhaul.

"I asked myself how I could be more effective," Christopher said in an in-

terview. "I decided I needed to be more purposeful ... You have to reveal purposes and be purposeful in trying to lead."

McManus related that on Oct. 19 Christopher outlined a six-point program to Clinton to get the administration's foreign policy machinery back on track. The goals included getting Clinton more in-

involved in foreign affairs, giving Vice President Gore a bigger role, and creating a new system to manage crises like Somalia. Personnel changes included replacing the deputy secretary and the secretary of defense.

State Department officials said Christopher's own self-examination produced a noticeable shift in

## The Best and Worst Posts

*Time* magazine, in its Dec. 6 international edition, listed 10 "plum" foreign diplomatic posts and nine "lemons." The undiplomatic judgments were "blatantly hedonistic" about the plum assignments and "bluntly dismissive" of the lemons, according to the piece. The "Chronicles" column asserted that "old hands in Washington" provided the



assessment. The plum list includes Cape Town, Gaborone, Santiago, Wellington, Vancouver, Jerusalem and, of course, a plethora of European posts: Florence, Paris, Prague and Rome. Among the lemons of the anonymous diplomatic connoisseur were Ankara, Belfast, Bucharest, Dhaka and Doha, along with Kigali, Kinshasa, Monrovia and Port-au-Prince. ✂



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## clippings and comment

his approach to his job. "There's been a change in his style of operating, and it dates from the Somalia experience," one senior official said. "He's become much more directive, more managerial. He's demanding more of his under secretaries. He's setting more deadlines." McManus said that Christopher is deliberately traveling abroad more. Christopher himself said the most useful part of the process was simply setting a clear list of foreign policy priorities.

The jury is still out on whether there has been a clear turnabout. Critics are unconvinced. Christopher "has the problem of working for a president who is not particu-

larly interested in foreign policy," said former National Security Adviser Brent Scowcroft. McManus quotes a senior Foreign Service officer who said, "He's not the most conceptual secretary of state we've ever had. He's an operational guy. But that's true of almost all secretaries of state."

According to McManus, if structural repairs in the department work, Christopher's second year can only be better than the first. However, a soaring new set of doctrines to guide American foreign policy is not on the horizon. Christopher doesn't think in those terms and even doubts the use of trying, contended McManus. ☞

## Fighting the Good Fight

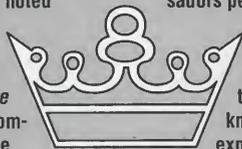
The American Foreign Service Association has once again gone up to Capitol Hill, noted

Michael Kilian in a Dec. 8 *Chicago Tribune* article, to complain that the president is giving ambassadorial appointments to too many fat-cat campaign contributors, spendthrift socialites and car dealers. Kilian pointed out, "Or as association president [Tex] Harris more elegantly put it ... no corporation, no charity would use such a process to select its leadership.

... Yet the world's only superpower ... frequently sends abroad as ambassadors people whose

backgrounds bear little trace of the knowledge and experience that meeting such

challenges demands." Kilian had a tongue-in-cheek suggestion: "Why not a U.S. nobility? What better way for our presidents to reward their moneybags without clogging up the Foreign Service with people who might think that "communique" is a female Communist?" ☞



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# SPEAKING OUT

By FORD COOPER

## Selecting Envoys: Is Diversity or Merit Key?

**A**s my parting contribution to a Foreign Service that I have loved and loyally served for 33 years, I want to make this plea on behalf of those who come after me: That out of elementary fairness and consideration for its senior Foreign Service officers, the department should completely overhaul the increasingly arbitrary, secretive and biased manner in which it selects ambassadorial candidates from the career service.

I am not referring primarily to the offensive practice of political ap-

pointment of ambassadors, although I will recount below how I was affected by that practice. This issue was effectively addressed by AFSA President Tex Harris and Dennis Kux of the Senior Foreign Service Association in their statements before the Senate Foreign Affairs Committee in November.

I refer instead to what one would expect to be a straightforward and objective process of selecting ambassadorial candidates from the career service. As should be apparent to any fair-minded observer, the cur-

rent process is neither straightforward nor objective. In fact, it is a process that is severely flawed.

Regional bureau assistant secretaries and their deputies and executive directors, without consultation with eligible and interested senior officers, prepare secret lists of candidates for each ambassadorial vacancy within their geographic area. The bureaus then forward these lists, together with brief biographical information, to the director general. After further consultations with senior advisors and some kind of input

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from functional assistant secretaries and other adjustments, the director general submits the resulting names and biographic sketches to the D Committee. This body, I gather, is comprised of the deputy secretary or acting deputy secretary, the under secretary for management, the under secretary for political affairs, the director general, and the executive secretary of the department. The D Committee then decides who will be the anointed departmental candidates whose names will be forwarded to the White House for approval or, frequently, rejection and replacement by political appointees.

What is wrong with this process? First of all, it is entirely arbitrary and secretive. Why one is selected or not selected to be on a list of candidates is never revealed. Unlike in the Foreign Service promotion process, where at least an effort is made to review performance files systematically and comparatively to identify the most qualified officers, selection

of ambassadorial candidates is a classic black box operation. The D Committee does not review files. Its mem-

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**Increasingly, as we reach the final years of our careers, many of us feel victimized by the department. Instead of being considered as assets after our long, step-by-step rise through the ranks of a highly competitive Foreign Service, we suddenly seem to be an embarrassment to the department: too male or too white.**

---

bers, mostly non-career, do not know what other officers might be as qualified or better qualified than the candidates before them. Candidates and

would-be candidates are kept completely in the dark. In my case, this fall I was not even given the courtesy of a personal interview with the assistant secretary of my bureau to make my case for a couple of posts for which I felt particularly qualified.

Somewhere before or during D Committee consideration, further distortions enter the picture. While it is true that some of our best career officers do receive appropriate ambassadorial assignments, other ambassadorial appointments no longer seem primarily based on years of experience, proven performance, directly relevant area and language expertise, and demonstrated management skills. What are these other factors? That is hard to say because of the secrecy of the selection process. However, for a variety of reasons, certain officers are put forward for posts outside of their primary areas of expertise. Examples are: European bureau officers who, because of the disproportionate num-

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## SPEAKING OUT

ber of political appointees going to the nicer European posts, have no real chance for ambassadorial assignments in their own areas of expertise; officers who represent the consular and administration cones which the D Committee believes should be included among the ambassadorial ranks; a few officers from USIA; and a few officers personally known to members of the D Committee.

Clearly of growing weight in the selection process is the increasingly blunt emphasis on assuring "diversity" in the ambassadorial ranks. Certainly, it has been a long-term Department of State objective, which I have wholeheartedly supported throughout my career, to have a Foreign Service representative of the ethnic diversity that characterizes our great country. And it is a fact that women and minorities remain grossly

under-represented in the senior Foreign Service. But there seems to be increasing pressure to compensate

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**Clearly of growing weight in the selection process is the increasingly blunt emphasis on assuring "diversity" in the ambassadorial ranks.**

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for this deficiency by placing so much emphasis on diversity in the ambassadorial selection process that it has moved beyond assuring equal opportunity and affirmative action. Diversity candidates now seem to receive unfair advantage over candidates who do not "count" toward the

desired diversity.

Does this mean I am opposed to achieving a Foreign Service representative of our diverse nation? On the contrary. But I believe that we should build a representative ambassadorial corps by recruiting quality diversity candidates in sufficient numbers, assuring equal training and assignment opportunities with appropriate use of affirmative action policies, and providing every opportunity for advancement through the promotion system into the senior Foreign Service. If this approach is not working, then let us redouble our efforts.

I propose the appointment of a blue ribbon committee to examine the ambassadorial selection process. The panel could be comprised of former ambassadors from the career Foreign Service; former senior Foreign Service officers who did not

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- 8:20 A.M.** *Tossed linens in washer and dryer. Left note for maid to set dinner table. Petted the cat.*
- 8:30 A.M.** *Walked 2 1/2 blocks to meeting at State Department.*



- 5:00 P.M.** *Picked up dessert at Watergate Pastry Shop and walked home.*
- 5:45 P.M.** *Buzzed in guests at front door.*
- 7:30 P.M.** *Decided to stay another month!*

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become ambassadors; and representatives of AFSA and impartial members of the public, perhaps from foreign policy organizations. There should also be representatives from the Outreach and EEO Liaison Office of the Director General's Office as well as from the Civil Liberties Union to advise on whether the letter or spirit of relevant anti-bias statutes are being violated — in any direction. The committee should examine the current selection process to determine whether in fact it is meeting basic standards of fairness, openness, transparency and justice.

A principal recommendation of such a committee should be to establish a similarly constituted independent ambassadorial selection review board, which annually would examine the performance files of members of the senior Foreign Service and make recommendations to

the bureaus and the director general as to which officers on the basis of years of experience, area and language expertise and objective per-

rial selection process are widely shared and the cause of growing alarm and cynicism in the ranks of the Senior Foreign Service. Increasingly, as we reach the final years of our careers, many of us feel victimized by the department. Instead of being considered as assets after our long, step-by-step rise through the ranks of a highly competitive Foreign Service, we suddenly seem to be an embarrassment to the department: too male or too white. We know we cannot all become ambassadors; even discounting the political appointee dimension, there are simply more senior Foreign Service officers than ambassadorial positions. But don't we deserve at least an opportunity to have our qualifications for ambassadorships measured against those of others in a reasonably fair, objective and transparent process free of bias?

**But I believe that we should build a representative ambassadorial corps by recruiting quality diversity candidates in sufficient numbers, assuring equal training and assignment opportunities...**

formance ratings seem to be most qualified to become the department's ambassadorial candidates.

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## SPEAKING OUT

On Oct. 7, 1992, I received a letter from the director general in which she extended congratulations to me on my "... selection as the next United States Ambassador to Belize." I had been chosen by the Department of State and approved by President Bush, subject of course to completing necessary clearances (which I did) and to Senate confirmation. With my fluent Spanish and Finnish and long experience in Latin America and Northern Europe, Belize would not have been my first choice for an ambassadorship. However, I was delighted with my selection because of the recognition it constituted of my career of service and of my government's confidence in my ability to represent the United States of America as ambassador.

And then an election intervened, and Bill Clinton (for whom I voted) became our new president. I was most gratified when the department last spring ratified its earlier selection of me as its choice for Belize and once again sent my name to the White House for approval. However, in June, I was informed that the White House had decided to name a political appointee as ambassador to Belize. Tough luck. I was later told that, no, Belize would be going to a career appointee, but not to me. Whether Belize goes ultimately to a political appointee or to some other career officer, I would like to know what kind of personnel policy produces that kind of decision.

After that setback, my only remaining chance was as a candidate for the 1994 ambassadorial selection cycle. I would have thought that my having been so unjustly treated over the Belize assignment would motivate the ARA Bureau and the department to rally behind one of their own by making me the department's candidate for another ARA post for which I am fully qualified. I was wrong again: Another sad commentary on the department's impersonal disregard for its senior career officers.

In view of these developments, I intend to submit my voluntary retirement papers shortly and thus move to the end of my Foreign Service career. I can say this: Ambassadorship or no ambassadorship, no one can take away from me my pride in my long Foreign Service career and my conviction that in South America, in Finland, in Central America and in Grenada, I helped make a difference. Sometimes a rather important difference. What a pity that for so many senior officers, shabby treatment by the department at the end takes away some of the luster of a wonderful career and the glow of a

---

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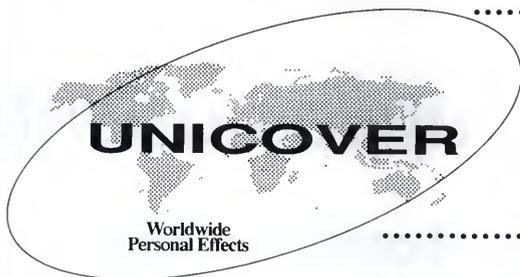
job well done. It doesn't have to be that way. I urge the department and the new administration to take the necessary steps to restore some integrity, openness and simple justice to the ambassadorial appointment process. And, to restore a little dignity to the final stages of this marvelous profession. 🍌

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***Ford Cooper will be retiring from the Foreign Service as Director of the Office of Andean Affairs in Washington. Previously, he served as permanent chargé d'affaires in Grenada, deputy chief of mission in Paraguay and Finland, and as director of Northern European Affairs in Washington.***

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# Career **VS** *political appointments*

## Lawrence's Nomination Opens Old Wounds

BY GILBERT D. KULICK

**A**s the process of reinventing government proceeds apace, one relic of the 19th-century spoils system — the process of selecting ambassadors from outside the career service — seems to enjoy diplomatic immunity from change. Over the years, appointments of distinguished Americans from the fields of business, politics, education, and even the arts have added fresh perspectives and political muscle to the conduct of American diplomacy. But more often than not, the standard for such appointments has been mediocrity and the entrée has been large campaign contributions.

Constitutionally, the president and the Senate share the task of choosing envoys. While the chief executive selects the nominees, the Senate has the power to consent—or not to consent—to the president's choice. Reform of the system can thus be achieved if either the White House or the Senate—or both—apply higher standards for non-career appointments. AFSA has made getting them to do so one of its highest priorities.

In the first decades of the republic, since America's relations with the nations of Europe were a matter of vital national interest, presidents sent out

diplomats of the highest caliber: Thomas Jefferson, James Monroe, John Quincy Adams, to name the most illustrious. It was only in the 19th century, after our independence was secure, that the patronage system came into play. Despite partial reforms at the turn of the 20th century, administrations of both parties have continued, on the eve of the 21st century, to reserve a significant number of posts, usually in the comfortable capitals of Western Europe, as rewards for major campaign contributions or fund raising.

Defenders of this practice make little effort to explain how sending

someone poorly versed in foreign affairs or diplomacy, with little understanding of the country of assignment or its language, serves the national interest. Instead, supporters of the spoils system wrap themselves in the argument that the president can choose whomever he wishes, since "That's how the system works," and that, in any case, a neophyte envoy can always rely on the career DCM and staff to smooth over any rough passages.

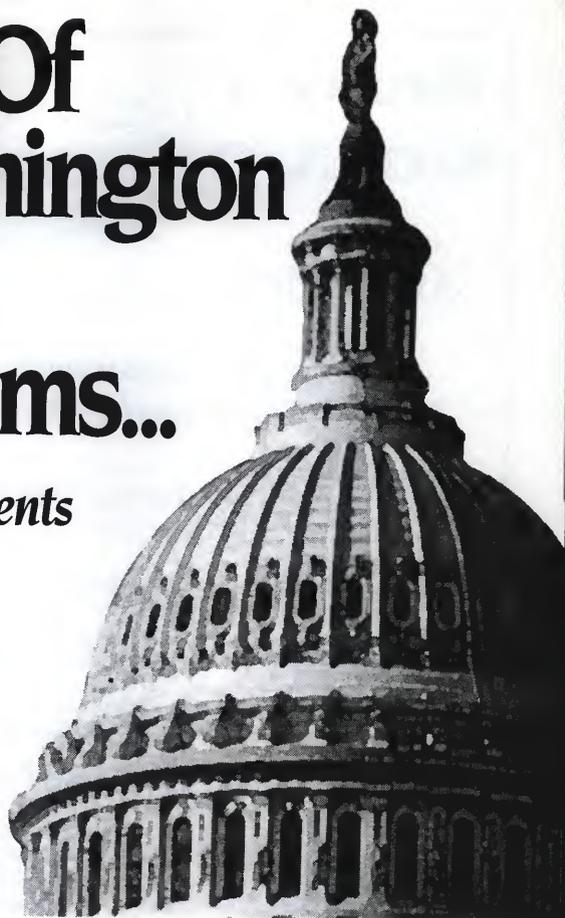
In 1957, the practice caused a public stir when President Eisenhower's nominee for Ceylon (now Sri Lanka), a hapless Louisville department-store

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owner named Maxwell Gluck, could not recall the name of Ceylon's prime minister during his confirmation hearing. Over the protests of Sen. J. William Fulbright, the Senate nevertheless confirmed Gluck.

In the Nixon administration, critics charged that embassies in Europe had a virtual price tag on them. Fulbright continued to urge reform, and AFSA representatives, such as former President Tom Boyatt and current President Tex Harris, for the first time, testified in opposition to a number of nominees it judged poorly qualified. But all to no avail.

President Carter, who in his campaign biography had promised to do better, improved the system, establishing an ambassadorial screening board in the White House and raising the percentage of career appointments to a modern high of 72 percent. Carter's record was not, however, unblemished. AFSA publicly opposed several of his nominees, again without success.

In the 1980s, events took a new turn. The Foreign Service Act of 1980, Section 304, for the first time spelled out qualifications for ambassadorships. Knowledge of international affairs, understanding of the country of assignment and facility in the country's language were cited as demonstrating a nominee's competence to perform his or her duties. The section was, however, only hortatory, since Congress constitutionally cannot limit the president's right to nominate whomever he wants. Congress's power, which it has almost never exercised with ambassadors, lies in the Senate's ability to block a nomination by withholding confirmation.

In the early 1980s, a group of distinguished retired career and non-career envoys, including John McCloy, Ellsworth Bunker and David Newsom, established the American Academy of Diplomacy for the purpose, *inter alia*, of improving the ambassadorial selection process. Their aim was to provide a vetting service for ambassadorial appointments similar to that provided for judicial nominations by the American Bar Association. The effort, as supported by the Cox Foundation, failed as neither the executive branch

nor the Senate, both jealous of their prerogatives, heeded the academy's advice, which was given only through private communications.

While the Reagan administration made some excellent non-career appointments, like Arthur Burns to Germany, critics asserted that unqualified campaign contributors were again being rewarded with ambassadorial appointments. To make things worse, the screening board, set up by President Carter, was shut down. Sen. Fulbright had retired, but his place as the Foreign Relations Committee's conscience on the non-career ambassadorial issue was taken by Sen. Charles Mathias of Maryland and, after his retirement, by his Maryland colleague, Sen. Paul Sarbanes.

When the situation did not improve appreciably under George Bush, Sen. Sarbanes decided that he would try to defeat a particularly poorly qualified nominee, Joseph Zappala, a Florida real estate operator slated for Madrid. His effort was strongly supported by AFSA, but in the end, the committee approved the developer narrowly in a 9-8 vote. All the Democrats voted against Zappala and all the Republicans, who were then in the majority, voted for him.

Toward the end of the Bush administration, Sarbanes was more successful, bottling up in committee White House picks for the Bahamas, Joy Silverman, and for the Netherlands, Jon Alexander. A New York socialite, Silverman had never held a job in her life, while Alexander's contribution of \$100,000 to GOP coffers occurred embarrassingly close to his nomination.

The election of Bill Clinton on a platform that called for improved ethics in government gave rise to hopes that reforms would include modification of the process of selecting non-career ambassadors. AFSA, a reactivated Senior Foreign Service Association (SFSFA), and the American Academy of Diplomacy all urged that the new president implement a higher standard in selecting non-career envoys. They were greatly encouraged when Secretary of State Warren Christopher in his first meeting with State Department employees said, "Recommendations for ambassadorships will be based upon qualifications that

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extend beyond campaign participation and will require some real expertise with respect to the appointment." The secretary also indicated the administration would increase the career share to about 70 percent.

The first group of non-career nominations, including individuals like former Vice President Walter Mondale for Tokyo, Pamela Harriman for Paris, and Robert Hunter for USNATO, marked a considerable improvement in quality, and the percentage of FSO's nominated has so far been the highest in three decades. But in recent months the administration has started to slip, and three nominations in particular — to Denmark, the Netherlands, and Switzerland — seemed to be based on large campaign contributions. After careful review and face-to-face discussions with all three nominees, AFSA and SFSA decided to oppose only the latter nomination, that of M. Larry Lawrence. In the association's opinion, the former two met the Christopher standard of bringing relevant expertise to the assignment; Lawrence did not.

A highly successful real estate de-

veloper and civic leader who had done a commendable job of restoring the historic Hotel del Coronado in San Diego, Lawrence had no discernable foreign affairs experience that qualified him to be ambassador to Switzerland. Rather, his main credentials seemed to be his own and his wife's generous contributions over the years to Democratic candidates — totalling more than \$400,000 since 1988 — and his major role as a party fund-raiser.

He also had unsettling difficulties in providing an accurate and timely accounting of the details of his campaign contributions and the large number of tax disputes he has pending before the U.S. Tax Court. (The Nov. 24 *Washington Post* reported that the IRS was seeking \$76 million from Lawrence for 1987 taxes alone, plus interest and penalties.)

At the Nov. 10 hearing, AFSA's Harris and AFSA Board member and SFSA Chairman Dennis Kux testified in tandem against his nomination. Harris's statement focused on the broader need for reform of the ambassadorial selection process as part of

  
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"reinventing government." Kux provided the specific basis for AFSA's opposition to the Lawrence nomination.

In questioning at the hearing by Sen. Sarbanes, Lawrence was unsure of himself in discussing the language needs of the assignment. He fumbled a query about how he would deal with export controls on sensitive items from Switzerland — an issue on which he said he had been briefed, appearing to confuse the subject with that of export promotion. At one point, Lawrence also unaccountably characterized Switzerland, with its 500-year tradition of strict neutrality, as "an ally" in Central Europe. His supporters, especially Sen. Harlan Mathews of Tennessee, who castigated Kux and Harris for opposing Lawrence — and later put a hold on 27 USAID promotions in retaliation — were loud in praise of Lawrence, but mute on specifics about his qualifications.

In a subsequent SFRC meeting, with Sens. Helms and Sarbanes in unusual agreement that the Christopher standard should be followed in assessing non-career appointments, the committee voted to recommend confirmation of all the nominees except Lawrence. The vote on Lawrence was a 10-10 tie. Democrats Sarbanes, Patrick Moynihan and Russell Feingold joined Republicans Jesse Helms, Richard G. Lugar, Nancy Kassebaum, Frank Murkowski, Judd Gregg, Larry Pressler and Jim Jeffords in opposing him.

The committee decided to send the nomination without recommendation to the Senate, which failed to act upon it before Congress recessed on Nov. 24. AFSA will continue to press its case when the Senate takes up the issue in early 1994. If the alignment of Republicans and reform Democrats holds together, there is a fair chance that he will not be approved.

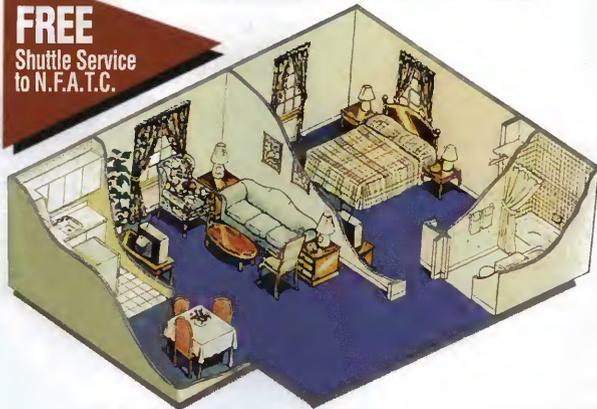
The Senate's rejection of the Lawrence nomination would mark an important milestone in reforming the ambassador selection process. Secretary Christopher had it right: Non-career ambassadors should bring something to the nomination besides their checkbooks. ■

**Gilbert D. Kulick, a retired Foreign Service officer, is AFSA's director of outreach.**

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# A World War I Tale

## Did the Ambassador Consort With a Spy?

BY RAY WALSER



**O**n a crisp autumn afternoon in 1917, a limousine stops before the American Embassy in Petrograd—today Saint Petersburg. An elegant woman alights and glides smoothly past the uniformed chauffeur.

High heels echo in the chancery's open court. Discreetly, the lady lifts a hobbled skirt to ascend the circular staircase.

Upstairs, the ambassador's manservant ushers her toward the chief's office. Perhaps, as the lady passes, a code clerk glances up from his typing and catches the fugitive whiff of Parisian fragrance as the lady disappears from sight.

"Bonjour, monsieur l'ambassadeur." The Russian woman curtsies politely.

A stout gentleman lifts his distinguished head and adjusts a pince-nez. "It is good to see you, Matilda." Laying aside his work, the ambassador depresses the key of the inter-office line. "Hold my calls for the next hour. I am taking my French lesson."

The actual scenario may have varied, but the nervous student of French was David R. Francis, President Wilson's last ambassador to Russia. This former governor of Missouri and, briefly, secretary of the Interior Department in the Cleveland administration arrived in Petrograd in June 1916 to take up his diplomatic duties. The job was a political reward for those whom Secretary of State

William Jennings Bryan called "deserving Democrats." There, Ambassador Francis became a reluctant witness to the collapse of the Tsarist

Empire and Russia's defeat in World War I. ing Francis' first and only voyage to Russia in 1916. On board the transatlantic liner, he met an attractive woman of about 40, who had left a husband in New York to rejoin two sons from a previous marriage in Russia. New York authorities later reported that DeCram had been trying to discover on which vessel Francis intended to sail.



Ambassador David R. Francis

Empire and Russia's defeat in World War I.

The tangled tale of Russia's descent into revolution has often been told. Yet, larger policy probably also was influenced by smaller-scale human events, a personal matter that undermined trust between Washington and its man in Petrograd. At issue was Ambassador Francis' friendship with a Russian woman of questionable political loyalty.

This friendship between Francis and Matilda DeCram sprang up dur-

In Petrograd, the couple's friendship blossomed, setting tongues wagging. The 60-ish Francis, whose family remained in St. Louis, was often seen in DeCram's company. She accompanied him on evening walks and visited his embassy quarters, adjacent to the code room. Allied counter-intelligence agents concluded, wrongly or rightly, that DeCram had to be either pro-German or a German agent. Unexpectedly, one who heard the embassy gossip was British novelist and sometime secret intelligence agent W. Somerset Maugham.

Recruited by British intelligence during his honeymoon in the United States, Maugham journeyed across the Pacific to Russia. Living in Petrograd for two months in autumn 1917, his roving mission was to support the crumbling authority of the provisional government and to keep the Russians in the war. At this crucial moment in the fighting, Allied strategists feared Russia's defection from treaty commitments would per-

mit the German High Command to unleash a massive assault upon the Western Front.

Maugham also says his job was to unmask German plots and propaganda in Russia and to strengthen anti-German groups, especially among the independence-minded Czechs and Poles.

### A Fictionalized Version

Aspects of his mission were later fictionalized in the 1927 spy classic, *Ashenden*. Maugham would later write, "I have had small powers of imagination. I have taken living people and put them into situations, tragic or comic, that their characters suggested."

Ambassador Francis appeared ripe for such a pen sketch. Maugham's portrait is of an American bumpkin, adding to the stock of British stereotypes about amateurism in American diplomacy.

In *Ashenden*, Francis became Ambassador Schafer: "He was a stout man, no longer young, for his hair was white, but well-preserved and exceedingly robust. He had a square, red face, clean-shaven, with a little snub nose and a determined chin. His face was very mobile and he twisted it continually into odd and amusing grimaces. It looked as though it were made out of the red India rubber from which they make hot water bottles."

Maugham certainly learned of the ambassador's association with DeCram. In *Ashenden* he wrote, "He (Schafer) was known to have succumbed to the fascination of a Swedish lady of undoubted beauty, but

of antecedents that from the point of view of a secret service agent were suspect. Her relations with Germany were such as to make her sympathy with the Allies dubious."

In this fictional account, the Allies, anxious to learn more, planted a maid in the woman's household. The agent Ashenden, Maugham's fictional alter ego, learns from this source of the American's pique with the British Ambassador. "He (Schafer) was a he-man and a 100 percent American and he had no more use for protocol and etiquette than for a snowball in hell." Schafer's attitudes, like those of Francis, were openly extroverted and inclined to the informal. He believed that the Americans and British would "do more toward winning the war by sitting down in their shirtsleeves and talking things out over a bottle of rye than by all their diplomacy and white spats."

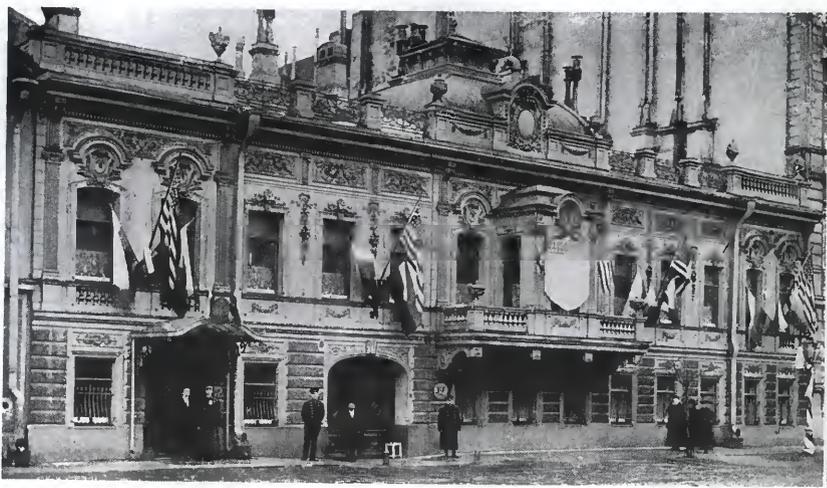
Maugham's pen sketch complete, Schafer faded from the novel, and in reality, Maugham's time in Petrograd grew short. On the evening of Oct. 31, 1917, he received an urgent summons to the Winter Palace, where a

distraught President Alexander Kerensky pleaded for more guns and ammunition. However, by the time Maugham had reached London and conveyed the message to Prime Minister David Lloyd George, much had happened in Petrograd. On Nov. 8, the Bolsheviks seized the Winter Palace and installed themselves in power; Kerensky fled the city in a car belonging to the American Embassy.

### The Gossip Spreads

Intelligence about a potential Russian spy eventually reached the Department of State. On Nov. 21, two weeks after the Bolshevik coup, Francis received a message from Secretary of State Robert Lansing asking about DeCram and concluding, "as the department has some reason to suspect this woman, you are directed to take immediate steps to sever her connection with the embassy."

An angry Francis demanded to know the sources of the accusation. The department replied that its information "came from several sources believed to be reliable." Maugham



The American Embassy, Petrograd, 1909-1917

may have been a source. At least two ranking Americans, Red Cross chief Raymond Robins and Edgar Sisson, chief representative for the Committee of Public Information, America's official propaganda agency, wanted to oust the inexperienced Francis. His relationship with DeCram was a pretext for demanding an ambassadorial change. Sisson complained that Francis was a man "without a policy except anger at the Bolsheviks" and "a sick man absolutely unfitted to the physical and mental strain of his great post."

Robins, who favored quick recognition of the Bolsheviks, saw the DeCram affair as an opportunity to "get the stuffed shirt." Secretary of State Lansing warned Francis that his relationship with DeCram was a matter of Washington gossip. Lansing wanted to know what steps were taken to prevent her access to secret information. Francis reacted angrily. He resented the attacks by professed friends and fired off a message that was undiplomatically to the point: "... permit me to say that anyone charging improper relations with the party named is a willful liar and anybody who repeats such rumors after hearing of this denial is also a willful liar."

Yet, he seems to have immediately severed his tie with DeCram. Francis cabled Lansing that she had not visited the embassy since Nov. 14. Francis also wanted the secretary of state to cease meddling. "Do not be concerned about my personal reputation, which needs no guardian other than myself. ... Both you and I have matters of too much import on our minds and hands to be annoyed or diverted by personal gossip."

Secretary Lansing had the option of either throwing Francis to the wolves or sticking with him. In the end, he kept him on as the ambassador to a radical regime that the Wilson administration refused to recognize.

The exact nature of the relationship between Ambassador Francis and the intriguing woman is hardly

clear. Diplomatic historian and former Ambassador to Russia George F. Kennan handled the Francis-DeCram relationship with utmost discretion in his Pulitzer Prize-winning *Russia Leaves the War*. While judging Francis to be the wrong man in the wrong place, he displayed acute sensitivity to the ambassador's dilemma and asserted no improprieties.

During the turbulent first months of 1918, a separate peace was signed between Russia and Germany. Francis and his mission fled Petrograd, taking refuge for several months in the distant town of Vologda. Francis' Russian odyssey ended in Archangel, from where he was withdrawn from his position while on board the *USS Olympia* in November 1918, during the North Russian intervention.

Following medical leave in England, Francis returned to the United States on board the *George Washington*, which also carried President Wilson back from the first session of the Paris Peace Conference. An advocate of a forceful anti-Bolshevik policy, he gained little favor with the president. No U.S. ambassador would take Francis' place until FDR recognized the Soviet Union and dispatched William Bullitt to Moscow in 1933.

Matilda DeCram disappeared entirely. She remains an enigmatic silhouette. Was she a victim of misguided, wartime paranoia or an agent motivated by loyalty to Germany, by fear or by greed? It is unlikely that we will ever know. In the end, she was swept up in the Russian catastrophe.

The Francis-DeCram incident is a reminder of what Maugham termed the "human element." The emotions of a lonely man, the desire to speak a foreign tongue, the stress of the times, and the clash of ambitions are all influences upon decision-making. Often it requires the pen of a Maugham, or a le Carre, to capture the diplomatic profession's secret inner life. 🎩

**Ray Walser is a Foreign Service officer in Costa Rica.**

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# AFSA news

## Labor-management mandate sparks new 'partnership' bargaining process

By *Tex Harris*  
AFSA President

President Clinton's Oct. 1 "Partnership" Executive Order significantly strengthens the existing federal labor-management relations law. Under the Foreign Service Act of 1980, AFSA has the legal right to negotiate and, if at impasse, refer to an outside dispute settlement agent, any dispute over changes in the "conditions of employment" for Foreign Service employees.

However, neither side may negotiate on "management rights," which include the agency's right to determine its mission, budget, organization, internal security practices, and the number of employees.

Another category, known as "permissive" bargaining subjects, exists. AFSA representatives could negotiate on the "numbers, types, and classes of employees or positions assigned to any organizational subdivision" or the "technology, methods, and means of performing work," only if the agency elects to negotiate on such matters.

What President Clinton has done is make this "permissive" category "mandatory" in exchange for the federal unions not opposing his 12 percent global cutback in the federal workforce over the next five years. The unions traded "downsizing" for an employee voice on how the cuts will be made.

The EO calls for the involvement

of employees and their union representatives as "full partners with management representatives to identify problems and craft solutions to better serve the agency's customers and mission." This new deal significantly alters traditional federal labor-management relations by mandating that agency management negotiate with union representatives over subjects that were previously negotiable only at the election of the agency. These subjects, says the Office of Personnel Management, are directly related to specific agency reinvention initiatives and to the National Performance Review's goal of making government work better and cost less. OPM also instructs the parties to make every effort to avoid dis-

putes over whether a bargaining proposal is non-negotiable because it conflicts with the "management rights" topics of traditional labor-management relations.

The president's goal is to develop a system of true consensus problem-solving with pre-decisional union involvement. The EO mandates joint training on "interest based bargaining" as the key to successful implementation of this new approach, in contrast to the adversarial tensions that have characterized labor-management relationships in the past. The president has mandated a major change not only in the form, but also in the substance and the psychology of federal labor relations. It's our job to make it work.



AFSA and the Department of State participate in signing a Partnership Agreement (top to bottom, left to right) Todd Stewart, Genta Hawkins-Holmes, Bill Struck, Tex Harris, Richard Moose and Catherine Barry

## Negotiations and consultations

By Todd Stewart

During last year's AFSA election campaign, presidential candidate Tex Harris pledged to empower Foreign Service employees to participate in decisions affecting their careers. He promised that the new Governing Board would change the Association's operating style. When faced with major issues, AFSA's leadership would no longer presume to know what was best for the employees without consulting them.

The new Governing Board has endorsed Tex's pledge. We recognized that this new approach would involve considerably more work, but we saw significant long term benefits in giving employees an opportunity to guide decisions affecting their careers and working conditions. Not only would the employees be more likely to be happy with the outcome, but the department could expect fuller understanding and better implementation of the resulting arrangements.

The first test of this new approach came last fall when AFSA negotiated a system to cone the junior officers who joined the Foreign Service after January 1990. The department had originally assured these officers that they would be assigned cones on the basis of criteria which were later deemed by department managers to be impractical or illegal. When the outlines of an alternative system were presented by the department last summer, AFSA resolved to work directly with the JOs themselves to come up with the best possible alternative, given the legal and practical constraints flowing from the regrettable 1989 decision to abandon coning on entry. Consultations with the affected junior officers took the form of Washington meetings and cable exchanges with the field, originally to elicit alternative suggestions and then to request reactions at key decision points in the negotiations.

Viewed with charity, the result may be the least bad solution in view of the constraints, and the junior officers en-

dorsed it (rather than proceed to uncertain and time-consuming arbitration) by a 10-1 margin. There is no reason for JOs to be truly satisfied, for they will not be given the treatment they were promised on entry. However, their involvement in the negotiating process has led to an ap-

*"Many federal and military people, active or retired, are philosophically opposed to—or are too cheap to join—groups that represent them. That's fine. But this year, in particular, such groups and their lobbyists put out the fire. At one point, both pay raises, full COLAs for retirees and survivor benefits were all down for the count. The day was saved because of the long, sometimes brutal trench warfare waged by the groups. This year, everybody in government or retired from it got some help from a special interest group. If you are one of those who don't see the need for a union or professional organization—and it's a free country—at least honk when you drive by the headquarters of the outfit you think you don't need."*

Mike Causey, *Washington Post*  
Federal Diary Dec. 13

preciation of the constraints the department faced. That fact may lead to a payoff for department managers—and the Foreign Service as an institution—in fewer resignations, fewer grievances and higher morale.

The next test for employee involvement will come in the current effort to reform the personnel system for generalist officers. To their credit, department managers have already solicited contributions from Foreign Service employees on possible reforms, and the AFSA State Standing Committee has polled employees by cable and red top to determine areas of strength and weakness in the current system. Responses should be under study by the time you read this column, and the review

process should produce some specific reform proposals from the department and the State Standing Committee.

At that point we plan to poll the affected employees on these proposals. The results will guide AFSA's positions in the subsequent discussions with the department, but some flexibility will later be necessary. We will have to decide, for example, which initial positions must be maintained, which can be conceded, and which should be referred to the employees in further consultations. Almost certainly, some decisions will be criticized, especially since different constituencies in the service have different perspectives on some issues.

Before the generalist officer negotiations are initiated, we must decide how to proceed when the 1991 agreement on the secretarial career path comes open for renegotiation at mid-year. Here again, input from the affected employees will be key to AFSA's position. We expect to poll Foreign Service secretaries sometime before the end of February.

Next, we plan to look at other career specialties, based on polls of the employees in those specialist groups. Foreign Service specialists have long failed to receive the attention they deserve. We plan to remedy that failure in the months to come.

Mixing partnership discussions with managers and consultations with employees is a tremendous challenge for AFSA and we may make mistakes. However, barring serious sins of commission, we believe that this approach offers tremendous advantages, both in developing the best possible solutions and encouraging ready acceptance of the results. We ask for your ready cooperation in the consultation process and for your understanding, if AFSA's positions do not entirely reflect your own point of view. **It's your Foreign Service: Participate.**

## from the USAID vice president

### New aid legislation

By Pat Patterson

This past fall, following Congress's request to the administration for a new draft Foreign Assistance Act, AFSA mobilized a working group to review the drafts and to provide input to the drafters of the bill. We prepared to deliver testimony and a position paper in early January.

The omnibus legislation would pull together a number of foreign assistance activities carried out throughout the government. Thus, lumped together in the name of sustainable development, building democracy, promoting peace (e.g., peacekeeping), providing humanitarian and crisis assistance, and prompting prosperity through trade and investment are activities undertaken by the Department of Defense, Peace Corps, OPIC, State, USAID and others. For the sake of flexibility, under this proposal, funds could be transferred easily from one line item to another. For example, an urgent need in the Middle East could lead to

funds being moved from a child survival project in Latin America to the West Bank of Gaza.

AFSA believes there are problems with this approach. Based on the deliberations of the working group, which solicited views from throughout the agency, AFSA has begun meeting with key congressional staff to make our views known. This is especially the case with respect to USAID's roles and mission, matters related to short-term and long-term perspectives, priorities and proposed activities such as public safety, disarming mines and munitions, and quasi-military programs vis-a-vis terrorism and narcotics programs. One of the more troublesome parts of the new bill is the unlimited flexibility given to the president to use funds for either economic or military assistance. Unless Congress adds some limitations, funds are totally fungible for the two purposes under these two different titles. On a positive note, the bill would, for the first time, create USAID as a statutory body.

It is our view that economic assistance is being confused with activities more properly related to military or security-related aid. To be fair, Congress placed a great degree of pressure on USAID to get a bill to the Hill quickly. Unfortunately, adequate consultation has been compromised due to time restraints. AFSA now can best make its positions known in Congress as the draft works its way through the legislative process.

We are in the midst of rapidly changing legislation, objectives, strategy, organization, staffing and personnel. These changes are all major and frequently unsettling. As a professional organization and the exclusive representative of USAID's Foreign Service, we are determined to make our views known and to contribute as constructively as we can in both spheres during the months and years ahead. Keep sending us your important ideas on these issues. *E-mail, call or FAX Pat Patterson at (202) 647-8160 or FAX (202) 647-0265.*

## War powers of the president and Congress

By Richard S. Thompson

Professional Issues Coordinator

John Hart Ely, a visiting professor at Georgetown and former dean of the Stanford Law School, both amused and educated his audience with remarks on war powers at a Dec. 17 Foreign Service Club luncheon. His book, entitled *War and Responsibility: Constitutional Lessons of Vietnam and Its Aftermath* had just been published by the Princeton University Press.

Ely noted the Constitution is very clear on this subject. Wars and acts of war, big or small, must be authorized by Congress, except if the president responds in case of sudden attack when there is not time to consult Congress.

However, he said, since 1950 this clear constitutional provision has been largely ignored in a series of instances (Dominican Republic, Lebanon, Grenada, Libya, etc.) In contrast, the war in Vietnam was legally authorized by the clear and broad language of the Gulf of Tonkin Resolution. Desert Storm was authorized but is not a very strong precedent because of special circumstances. President Clinton has given mixed signals. On the encouraging side he has said he would seek congressional approval for use of U.S. troops in Bosnia, and there was consultation with

Congress to set the March 31 deadline for American troops to pull out of Somalia.

Ely argued that this constitutional authority of Congress to declare war is important to American citizens. Unfortunately, Congress is happy with the present situation, which permits it to "audition" any particular war, and then decide to praise or blame the president for starting the war.

There is now talk in both the administration and Congress of amending the War Powers Resolution of 1973. This resolution clearly needs to be amended, if only because it is clearly in conflict with the Constitution in allowing the President to initiate a war and then seek authorization later, Ely noted. However, the speaker was pessimistic that there will be any real change in the near future.

During the discussion there were several comments on the circumstances surrounding the passage of the Gulf of Tonkin Resolution. Agreeing that it was based on deceptive statements by the administration, Ely stated that it would probably have been passed even if the truth had been known, and in any case was legal regardless of any lies uttered to secure its passage.

# Foreign Affairs Bill for fiscal 1995 proposal

The Foreign Affairs Authorization Bill for fiscal year 1994-95, covering authorizations for the Department of State and USIA, is expected to reach the Senate floor in the last week of January. House action and mark-up by the Senate Foreign Relations Committee took place last summer, but Senate floor action was not completed before the November recess. We have recently written to all Senators expressing our opposition to seven sections of the bill, as well as our support for five others.

Several sections of the bill are of particular interest to all Foreign Service personnel. The most fundamental is a provision (Section 111) which restricts the size of the Foreign Service in both State and USIA. AFSA strongly opposes this provision since it removes the flexibility necessary for management to respond to new requirements and tasks in the post-Cold War world. It also leaves few opportunities for upward mobility.

The figures in the bill are:

- By September 30, 1994, State will be restricted to no more than 9,100, of whom no more than 820 shall be in the Senior Foreign Service. USIA will be restricted to no more than 1,200, of whom no more than 175 shall be Senior Foreign Service.
- By September 30, 1995, State will be

restricted to no more than 9,100, of whom no more than 770 shall be in the Senior Foreign Service. USIA will be restricted to no more than 1,200, of whom no more than 165 shall be Senior Foreign Service.

AFSA also opposes six other sections of the bill:

- 118(c), in effect, makes consular officers accountable for certain acts. In this case, AFSA objects to the "sunrise" provision. We believe it should be tied to the completion of the Automated Visa Lookout System (AVLOS) upgrade rather than having a particular implementation date.
- 141 seeks to amend Section 1107(e) of the Foreign Service Act to impose time periods within which certain management personnel are precluded from becoming officers in AFSA. We believe this amendment is unnecessary; and the act has sufficient safeguards to prevent the revolving door that Congress perceives.
- 149(a) seeks to amend Section 1106(8) of the Foreign Service Act to restrict the Foreign Service Grievance Board's authority to grant interim relief to one year, unless the board determines that it or the agency is responsible for the delay. We believe that this amendment is unnecessary, because the board already has the authority to terminate interim relief.
- 152(b) proposes that a supervisor make an assessment of an employee's language proficiency and, if he or she deems it has deteriorated, mandate language remedial training and retesting. AFSA believes that such powers are only appropriate if the supervisor has an equal or higher qualification in the language being assessed, and we have proposed clarifying language.

- 148 removes rollover authority from State Department employees
- 150 requires State, to the maximum extent possible, to appoint as mid-level FS entrants, qualified women and minorities who have been affected by down-sizing and reductions in force in the Defense Department.

AFSA supports the following five sections of the bill:

- 113 extends into the future the department's authority to provide child-care facilities in Moscow and five other posts overseas. We would like this to extend to more posts.
- 118(b) requires the department to implement the Automated Visa Lookout System (AVLOS) worldwide within two years.
- 142 would waive the \$40,000 limit on allowable claims for loss of personal property in cases of evacuation.
- 147's first part would allow Away-From-Post Education Allowance to be applied to travel "between the school attended and the home of a designated relative or to join a parent at any location, with the allowable travel expense not to exceed the cost of travel between the school and the post." The second part allows "travel to and from a school outside the United States if the dependent is attending that school for less than one year under a program approved by the school in the United States at which the dependent is enrolled."
- 151 sets up a job placement program for personnel in the Department of State who are involuntarily separated under any reduction in force or other termination of employment.

## *from the USIA vice president*

### Partnership update

*By Raz Bazala*

When we signed the USIA Partnership Resolution Dec. 2, both management and the unions committed themselves to new ways of dealing with each other through interest-based, win-win, bargaining. However, the organizational structure of partnership at USIA was not addressed.

Three partnership teams of more than 60 employees developed ideas to create a new global Information Services Bureau within USIA. Joint recommendations to the director reflected consensus among all participants and constituted a highly

successful experiment in partnership at work.

However, the teams were not in a position to address the bureau budget and staffing in detail. That was done by the agency's Resource Management Committee (RMC). The impact of \$15.6 million in budget cuts made rapid conclusion of a Partnership Principles Agreement establishing a council critical.

The unions are now moving forward on dual tracks, negotiating and considering the RMC report and budget in the spirit of partnership. The unions want to do everything possible to ensure that our successful pioneering partnership effort to

create the Information Bureau is not undermined.

We will certainly soon have a partnership council in place. In the future, the council will ensure that employee unions are involved in the process of changing workplace conditions at the earliest stage and will avoid the discomfort of having to climb on board only as the agency goes down to the wire on major issues impacting all employees.

*Michael Houlahan has replaced AFSA's former USIA representative Bruce Wharton. Houlahan is currently the senior policy officer for democracy building in P/G.*

# Retirees help bridge the foreign policy gap

By Ward Thompson

House Foreign Affairs Committee Chair Lee Hamilton told an AFSA Open Forum meeting that the gap between American leaders and the public on foreign policy is the deepest he has ever seen. He iterated his warning from the NFATC dedication that our foreign policy establishment must spend time talking to varied audiences explaining why their interests are tied to foreign policy.

Who better to bridge the gap than retired Foreign Service experts living throughout America? Many AFSA alumni are already engaged in helping acquaint the public with the Foreign Service. This is what we have been doing:

- Supporting AFSA's Legislative

Alert Network on policy issues (NAFTA, Freedom Support Act), the foreign affairs authorization (AFSA praised Secretary Christopher's request for an extra \$3 billion) and protecting entitlements (Clinton's new entitlement reform commission bears watching).

- Helping the AFSA World Issues Forum, UN Association, World Affairs Councils, and other civic organizations increase public awareness that foreign and domestic issues are intertwined.
- Welcoming new opportunities: The National Peace Corps Association invites AFSA alumni to cooperate in its legislative and public information programs. The United States Institute of Peace urges alumni to apply for grants up to \$40,000 to organize library discussion groups. (Call 1-800-704-AFSA for details.)
- Honoring colleagues' memory: AFSA cosponsored a reception marking the publication of Ambassador David A. Korn's book *Assassination in Khartoum*. It is the first complete account of the tragic deaths of Ambassador Cleo Noel and Curt Moore.

- Rebutting criticism of AFSA for testifying against ambassadorial appointee Larry Lawrence: In a Christmas Day letter to the *Los Angeles Times*, AFSA Retiree Vice President Don Norland minced no words in condemning a *Los Angeles Times* op-ed writer who had accused the professional Foreign Service of cowardice and clientism. "Anyone familiar with the Foreign Service record of courage and integrity," Don wrote, "will dismiss these allegations for what they are, namely beneath contempt as the basest kind of calumny and defamation."
- Celebrating a lustrous career: AFSA hosted a lunch to honor Career Ambassador Hank Cohen on his retirement after 38 years in the Foreign Service. Tex Harris and Director General Holmes led well-deserved tributes. We can all take pride in Ambassador Cohen's career, while seeking continued public support for a diplomatic service with the high professional qualities he epitomizes.

## N. Virginia retirees

A Feb. 9, 11:30 a.m. lunch will be held to establish a new AFSA chapter for Northern Virginia at the Ft. Myer Officers Club. For more information regarding this meeting or how to form such a chapter in other areas, call Ward Thompson at (202) 338-4045.

## AFSA demystifies diplomacy at Smithsonian

The mystery that cloaks the popular perception of the diplomatic profession will be lifted for nearly 200 people who have signed up for an eight-week course on modern diplomacy produced by AFSA and presented by the Smithsonian Associates' Campus on the Mall program. Beginning on January 27 and culminating with a reception in the State Department's Benjamin Franklin Room on March 17, the course will feature sessions on trade promotion, arms control, public diplomacy, crisis management, international peacekeeping, environment and development, and diplomatic representation. The sessions will be hosted by AFSA President Tex Harris and will feature a stellar cast of

American diplomats, including Genta Hawkins Holmes, Bruce Laingen, Samuel Lewis, Jack Matlock, Rozanne Ridgway, Peter Tarnoff, Terence Todman and Timothy Wirth.

AFSA members can attend the en-

tire course for the Smithsonian-member cost of \$105. Admission to some individual sessions is available at \$13. For further information call Smithsonian Associates at (202) 357-3030.

## New FSJ editor chosen

AFSA welcomes Karen Krebsbach as the new *Journal* editor. Karen joins the *Journal* after serving as managing editor of *Business Venezuela* in Caracas. She also has nine years' experience with newspapers in Boston. Krebsbach holds a master's degree from the Kennedy School of Government at Harvard University, where she focused on Latin American studies, and a double B.A. in Journalism and English from the University of Wisconsin-Eau Claire. She says she hopes to see the *Journal* evolve into an even more provocative and relevant magazine.

The *Journal* Editorial Board wishes to thank Acting Editor Nancy Johnson for her assistance in producing the *Journal* in the interim.

# AFSA scholarships benefit college students

By Theresa Auricchio

The AFSA scholarship program is designed to fill in the gaps after the student has received all other federal and school aid. There are many factors which determine financial need. AFSA awards scholarships to students who have financial problems due to illness, whose parents are divorced or widowed, or those who have a sudden loss of income. There are many unique circumstances in the Foreign Service that may be overlooked by other institutions. The programs are made up of named AFSA grants from the AFSA scholarship endowment, the Heyward G. Hill awards sponsored by DACOR, and awards granted by the Association of American Foreign Service Women.

AFSA grant decisions are made from the College Scholarship Services Financial Aid Need Analysis Report, the same form used by most universities to determine financial need. We work with the eligible student's college financial aid office to determine how much the university will allow us to award the student before reducing other types of aid.

This amount can vary depending on school policies.

The student who receives an AFSA Financial Aid scholarship must be the tax dependent child of Foreign Service personnel. The student must maintain satisfactory academic progress, be a full-time student, and be under the \$12,000 Expected Family Contribution (can be adjusted to account for unreported overseas living allowance) found on the Financial Aid Need Analysis Report. AFSA does not consider student income when determining financial need. The policy which determines eligibility is set by the AFSA Committee on Education. Policies are reviewed annually and are subject to change, as with any other financial aid program.

## Merit awards are different

Merit awards are not a financial aid program. Merit scholarships are jointly awarded by AFSA and the American Association of Foreign Service Women. Winners receive \$750 and honorable mentions, \$100. This does not go far towards a typical annual college bill of at least \$20,000.

These awards are intended to be a pat on the back for the best and the brightest of Foreign Service dependent children. Candidates come from broad backgrounds, school systems and international environments. The award was created to honor America's most unique children, those who have an international upbringing. Foreign Service tax dependent children who are high school seniors at time of application are eligible to apply for merit awards.

## News from FAS

### FAS employees plan election

By Maggie Dowling

There is a growing sense of expectation and involvement among FAS Foreign Service employees. Since filing a petition with the Federal Labor Relations Authority, we have had several meetings on the benefits of union representation. There is an ever-expanding sense of appreciation of what a more organized structure of employees can achieve, especially in light of concern about reorganization's impact on support services to our overseas colleagues.

We have met with our FAS Civil Service colleagues, who are also considering collective bargaining representation. At that meeting we formed two committees and drafted a partnership council agreement that would include the two committees and FAS management. When all members of the committee have reviewed the proposal, it will be submitted to FAS management.

We think it is vital to our interests to have access to the policy process in this critical and formative stage. The election of union representation for FAS Foreign Service employees are expected to take place in four to six weeks.

## Christopher recognizes department retirees



In line with AFSA's recommendation, State has begun a biannual retirement ceremony for employees in the Benjamin Franklin Room. The most recent ceremony honoring retirees was held on Jan. 6

## Locality pay needs extension abroad

Now that locality pay has been approved for all Foreign Service employees in the continental United States (4.23 percent in the Washington, DC area), AFSA is focused on the implications of that decision for employees stationed abroad. The pay gap between Washington and the field will increase if, as expected, further locality pay adjustments are granted in future years to end the estimated differences between U.S. public and private sector salaries in various regions. The widening gap will strengthen the incentive for Foreign Service employees to serve domestically. The domestic incentive will be particularly strong for employees close to retirement since locality pay is included in the "high three" base used to calculate pensions. As an interim measure, AFSA has proposed that D.C. locality pay be included in the base used to calculate post allowances. Full equity can only be restored, however, by an extension of Washington locality pay to Foreign Service employees stationed abroad, and AFSA will promote legislation for this purpose as soon as the prospects for success outweigh the downside risks.

## Defend yourself: Take good notes

Unfortunately, during your career you may find yourself compelled to file a personnel grievance or defend yourself against an administrative action. In every situation we find that the best offense is a good defense. Keep detailed records of all meetings, phone calls, etc. . . Note the date, time, persons present and actions discussed for all counselling sessions you receive. Although statistically, it is unlikely that you will ever have the need to file a grievance, your notes may be very useful if a dispute arises.

On the positive side, accurate record keeping helps to ensure that your achievements and accomplishments receive formal recognition in your annual evaluation. If you are uncertain about your rights and would like to discuss your situation with one of AFSA's grievance counsellors call (202) 338-4045 to make an appointment.

## Family members overseas now eligible for information management positions

AFSA has endorsed the department's new program, spearheaded by Assistant Secretary Pat Kennedy, to hire American family members as information management associates to perform clerical and routine administrative duties presently assigned to permanent information management employees at larger posts.

The idea is a win-win-win proposition, for it allows information management employees to focus on more professionally challenging work, relieves the chronic understaffing of information management positions and lack of TDY assis-

tance, and offers employment opportunities at the FS-9, 8 and 7 levels, depending on the complexity of the job and the experience of the applicant.

Interested family members should check immediately with FLO or their post CLO since applications are being considered several months before the vacancy date to allow time for security clearance processing of the successful applicant. AFSA hopes that this imaginative program will lead to structured opportunities for family member employment in other specialties.

# AFSA's Foreign Service Tax Guide for 1993

By Julie Smithline  
Labor Relations Representative

## I. FEDERAL TAX PROVISIONS

The following is a summary of 1993 federal tax provisions as they apply to Foreign Service employees and their families. Foreign Service employees most frequently ask AFSA about home ownership, tax liability upon sale of a residence, and domicile. Therefore, as in past years, we have devoted special sections to these issues.

AFSA's Tax Guide is designed as an informational and reference tool. It does not presume to be any more

than that. Although we try to be accurate, many of the new provisions of the tax code and implementing IRS regulations have not been fully tested. Therefore, *use caution and consult with a tax adviser if you have specific questions or an unusual or complex situation.* Furthermore, do not wait until the last minute. The Tax Reform Act of 1986 is complicated and continues to go through revisions and corrections.

For 1993, there are basically four tax rates for individuals, 15, 28, 31 and 36 percent. The 15 percent rate is for taxable income up to \$36,900 for married couples; \$22,100 for singles. The 28 percent is for income

up to \$89,150 for couples, \$53,500 for singles. The 31 percent rate is for income up to \$140,000 for married couples and incomes up to \$115,000 for singles. The new tax bracket of 36 percent is for income up to \$250,000 for married couples and singles. In addition, there is a new 10 percent surtax for certain high-income taxpayers. It is computed by applying a 39.6 percent rate to taxable income over \$250,000 for singles and married couples and married couples filing separately whose income is over \$125,000. (These rates became effective January 1, 1993. If needed, an installment payment plan is available. Consult a tax expert for further

assistance.) Capital gains are taxed at 28 percent and are reported on the reverse side of Schedule D.

### **Personal Exemption**

For each taxpayer, spouse, and dependent the personal exemption has been increased to \$2,350. There is, however, a personal exemption phaseout of 2 percent for each \$2,500 of adjusted gross income (AGI) over \$108,450 (singles), \$135,600 (head of household), \$162,700 (joint) and \$81,350 (married, filing separately). For taxpayers in the last category, the 2 percent is taken from each \$1,250 exemption.

### **Standard Deduction**

The standard deduction is given to non-itemizers and alleviates the loss of many deductions. It has been steadily increasing since 1987. For couples it is \$6,200; for singles the deduction is \$3,700. Married couples filing separately get a standard deduction of \$3,100 and head-of-household filers receive a \$5,450 deduction.

Most unreimbursed employee business expenses must now be reported as miscellaneous expenses and are subject to a 2 percent floor of adjusted gross income (AGI). This includes professional dues and publications, employment and educational expenses, home office, legal, accounting, custodial and tax preparation fees, home leave and representational expenses, and contributions to AFSA's Legislative Action Fund. Unreimbursed moving expenses are the exception; they may be fully deducted without the 2 percent floor. Medical expenses are subject to a floor equaling 7.5 percent of AGI. This means that any deductible medical cost would have to exceed \$2,250 for a taxpayer with a \$30,000 AGI. There is also an additional 3 percent reduction of itemized deductions (excluding medical, casualty, theft, and investment interest) if the AGI exceeds \$108,450. This 3 percent is applied to the AGI over \$108,450 and not to the total of itemized deductions on Schedule 1040 A. The maximum loss of deductions is capped at 80 percent.

State and local income taxes and real estate and personal property taxes remain fully deductible for itemizers, as are charitable contributions for most taxpayers. Donations to the AFSA Scholarship Fund or the AFSA Fund are fully deductible as charitable contributions. Donations to AFSA via the Combined Federal Campaign are also fully deductible. Individuals may also dispose of any profit from the sale of personal property abroad in this manner.

For 1993 tax returns, any interest paid on auto or personal loans, credit cards, department stores, educational loans and other personal interest will not be allowed as an itemized deduction. If the above charges are consolidated, however, and paid with a home equity loan, any interest on the home equity loan is allowable. Mortgage interest is, for the most part, still fully deductible and is discussed in more detail in the home ownership section of this article. Interest on loans intended to finance investments is deductible up to the amount of net income from investments, plus \$1,000. Interest for loans intended to finance a business is 100 percent deductible. "Passive-investment" interest on loans in which the taxpayer is an inactive participant, i.e. a limited partnership, can be deducted only from the income produced by the investment. Interest on loans that do not fall into the above categories, such as borrowing money to buy tax-exempt securities, is not deductible.

### **Home Leave Expenses**

Employee business expenses, such as home leave and representation, have to be deducted as a miscellaneous expense, thereby severely limiting any refunds. In addition to the 2 percent floor, only 80 percent for meals and entertainment may be claimed (100 percent for unreimbursed travel and lodging). Only the employee's (not family members') home leave expenses are deductible. Maintaining a travel log and retaining a copy of home leave orders will be helpful, should the IRS ever question claimed expenses. It is important to save receipts: without receipts for

food, a taxpayer may deduct only \$26 to \$34 a day (depending upon the per diem rate at the home leave address), no matter how large the grocery or restaurant bill. Lodging is deductible, as long as it is not with friends, relatives, or in one's own home. The IRS will disallow use of per diem rates and any expenses claimed for family members. If a hotel bill indicates double rates, the single room rate should be claimed, and, if possible, the hotel's rate sheet should be saved for IRS scrutiny. Car rental, mileage, and other unreimbursed travel expenses, including parking fees and tolls, may be deducted. The rate for business miles driven is 28 cents on the first 15,000 miles and 11 cents per mile afterward. Those who use this optional mileage method need not keep detailed records of actual vehicle expenses. The only thing necessary will be a detailed odometer log to justify the business use of the vehicle and percentage of business use. This optional mileage method does not apply to leased vehicles.

### **Official Residence Expenses (ORE)**

Employees who receive ORE are no longer allowed to reduce their reportable income by 5 percent. The IRS ruling regarding ORE states that "usual expenses" are not deductible. Section 440 of the Standardized Regulations defines "usual expenses" as 5 percent of salary. The only expenses that are deductible after October 1, 1990 will be expenses above the 5 percent that are paid out of pocket. Employees should save receipts for any out-of-pocket expenses associated with their representational duties. These expenses can be deducted as miscellaneous business expenses.

### **Home Ownership**

For 1993, employees may deduct interest up to \$1 million on acquisition debt for loans secured by a first and/or second home. This also includes loans taken out for major home improvements. On home equity loans, interest is deductible up to \$100,000, no matter how much the

home cost or what the loan is used for. The \$100,000 ceiling applies to the total of all home equity loans you may have.

The same generally applies to refinancing a mortgage. Points paid to obtain a refinanced loan cannot fully be deducted the same year, however. The U.S. Tax Court held in November 1988 that in a refinancing transaction, points must be deducted over the life of the loan. A good idea would be to pay the points with a separate check instead of having the mortgage company deduct it from the proceeds; this way, you will have records of actual points paid which should make it easier to prove if any questions arise in the future.

Qualified homes are defined as the taxpayer's principal home and one other home. The second home can be a house, condo, co-op, mobile home, or boat, as long as the structure includes basic living accommodations, including sleeping, bathroom, and cooking facilities. If the second home is vacation property rented for fewer than 15 days during the year, the income need not be reported. Rental expenses cannot be claimed either, but all property taxes and mortgage interest may be deducted.

#### **Rental of Home**

Taxpayers who are overseas and rented their homes in 1993 can continue to deduct mortgage interest as a rental expense under the passiveloss rules, as long as the AGI does not exceed \$100,000 and the taxpayer is actively managing the property. Retaining a property manager does not mean losing this benefit. Also deductible are property management fees, depreciation costs, taxes, losses (such as cost of improvements) up to \$25,000, after offsetting the rental income.

#### **Sale of Residence**

If there is a profit on sale of a principal residence, taxes at the rate of 28 percent are owed on the profit or capital gains, unless one qualifies for one of the tax benefits discussed below. Efforts by Congress to reduce the rate of taxation on capital gains

were defeated. Although legislation aimed at reducing capital gains taxation will likely be reintroduced, capital gains are currently fully taxable. In many instances, total taxable income from wages and profits move an employee into a higher tax bracket. It is, therefore, extremely important to take every legitimate deduction and to be aware of the various tax benefits that may be available.

A taxpayer 55 years or older who sells his or her home can take a capital gains exclusion up to \$125,000 without having to reinvest in another home. This once-in-a-lifetime exemption rule applies to singles and couples and may not be used again even when the other spouse reaches age 55. In order to qualify, the taxpayer must have lived in the home for three out of the last five years (up to two years spent in a nursing home can count as time spent in the home) prior to sale. Many Foreign Service employees are hurt by the three out of five year residency provision. Despite repeated attempts, AFSA has been unsuccessful in persuading Congress to grant an exemption for Foreign Service personnel, who cannot meet this requirement due to prolonged overseas service.

Under section 1034 of the tax code, frequently referred to as the rollover residence replacement rule, taxes may be deferred on profit from the sale of the principal residence when buying a replacement principal residence of equal or greater value within two years before or after the sale. Americans working abroad, including Foreign Service employees on overseas assignment, are permitted up to an additional two-year period to replace their former residence. The deferral rule may be applied repeatedly, and there is no limit on the amount eligible for deferral of taxation.

Temporary rental of the home does not necessarily disqualify one from claiming the deferral. The IRS has never defined what time period constitutes temporary but will probably challenge a claim that the home was a principal residence if it had been rented for many years and had

clearly become an investment property. Foreign Service employees who are overseas for prolonged periods during which they rent their homes are increasingly subject to IRS scrutiny when they sell their houses and claim deferral of capital gains.

Under a 1957 U.S. Tax Court decision, *Trisko v. Commissioner*, a Foreign Service employee was granted the deferral while he was living abroad even though he had rented his home for a 44-month period prior to sale. The court determined that his house remained a principal residence even though it was converted to investment property. In reaching this decision, the court applied the following tests: Was the property the taxpayer's only home? Did he reside in it prior to going overseas? Did he intend to return to the residence upon completion of overseas duty? And what were the reasons for selling it? In the *Trisko* case, the taxpayer was able to satisfy all of the court's concerns. Please note, however, that all courts do not recognize this case as a precedent and that the facts of each individual case are very important.

On the basis of this decision and conversations with tax experts, AFSA suggests claiming the deferral only if the circumstances are similar to those of this case and if the home is rented only during assignments overseas and not longer than 44 months. A copy of the *Trisko* decision may be requested from AFSA.

A considerable number of Foreign Service employees do not qualify under the deferral rule because of extended absences from the house. If at all possible, Foreign Service employees should move back into the house for at least six months before selling it, thereby reestablishing principal residence. If this is not possible, they might look into a tax-deferred property exchange, which is essentially a real estate investor's version of the residence replacement rule.

#### **Property Exchanges**

Under Internal Revenue Code 1031, a Foreign Service employee

whose U.S. home may no longer qualify for the customary residence replacement rule may be eligible to replace the property through an "exchange." In essence, one property being rented out may be exchanged for another, as long as that also is rented. In exchanging the properties, capital gains tax may be deferred. Technically, a simultaneous trade of investments occurs. Actually, owners first sell their property, place the equity proceeds in escrow, identify in writing within 45 days the property they intend to acquire, and settle on the new property within 180 days, using the money held in escrow as part of the payment.

It is important to emphasize that the exchange is from one *investment* property to another *investment* property. It is possible to convert an investment property to a residence at some point in the indefinite future, but the key factor in the IRS evaluation of an exchange transaction is the intent of the investor at the time the exchange was consummated.

The IRS rules for the exchanges are complex and specific, with a number of pitfalls that can nullify the transaction. Consequently, the exchange should *never be attempted without assistance from real estate, tax, and legal professionals specializing in this field.*

Foreign Service employees who are contemplating the sale of a rental property that had previously been a residence and are expecting to roll the proceeds of the sale into a new home without tax consequences are urged to check their status under IRS rules with tax experts *before* taking any definitive action. If the property is considered an investment by the IRS, a straight sale will trigger capital gains tax obligations. In this circumstance, the Section 1031 exchange provision, as an alternative method of disposing of property, may offer very significant tax relief.

### Temporary Rental

What happens if one purchases and moves to a new residence then decides to get some rental income from the old home before selling it a couple of years later? The IRS may

determine that the taxpayer no longer meets the "principal residence" test for the old home, since he or she moved out of it and converted it to investment property. Again, intent is key. The IRS allows temporary rental prior to sale as a "matter of convenience," such as a poor resale market at the time the new home was purchased. If the IRS determines that rental income was the prime motive for not selling the house, taxes must be paid on the gain of rental property, even though it was once used as a principal residence.

Many Foreign Service employees ask what items can be added to the cost basis of their homes when they are ready to sell. Money spent on "fixing up" the home for sale to reach what is called adjusted sales price may be deducted from the sales price. To qualify as legitimate "fixing-up costs," the following conditions must be met: 1) the expenses must be for work performed during the 90-day period ending on the day on which the contract to sell the old residence was made; 2) the expenses must be paid on or before the 30th day after sale of the house, and 3) the expenses must not be capital expenditures for permanent improvements or replacements (these can be added to the basis of the property, original purchase price, thereby reducing the amount of profit). A new roof and kitchen counters are not "fix-up" items. But painting the house, cleaning up the garden, and making minor repairs qualify as "fixing-up costs."

### Lump-Sum Credit Option

For those who retired under the Alternative Form of Annuity (AFA), thus electing the lump-sum withdrawal of contributions to the retirement trust fund, the lump sum is taxable in the year in which it is received. Note that as of December 1, 1991, the lump-sum credit is no longer an option.

Those retiring before reaching age 55 will have an extra 10 percent tax applied to that part of the lump sum included in gross income. In general, 85-95 percent of the lump sum is taxable. For those who prepare their own tax returns, IRS publication No.

721 contains instructions, actuarial tables, and worksheets for calculating the "exclusion percentage" applicable to lump sum and monthly annuity payments.

The Senior Executive Service filed suit in the U.S. Court of Claims for the refund of lump-sum tax payments on the grounds of double taxation, since these funds had already been taxed before being deposited into the retirement trust fund. The Court of Claims ruled against SES, however, and the case is now being appealed to the U.S. Court of Appeals. Regardless of the decision, the case will surely be appealed to the Supreme Court so a final decision cannot be expected for some time.

## II. STATE TAX PROVISIONS

This guide will help to answer some of the questions regarding one of the most perplexing problems facing Foreign Service employees and retirees: the filing of state income tax. Every member serving abroad must maintain a state of domicile in the United States, and the tax liability that the employee faces varies greatly from state to state. In addition, there are myriad regulations pertaining to the taxability of Foreign Service pensions and annuities, as each state has different rules about the conditions under which individuals are liable for taxes on such income.

This guide, which supersedes last year's article on the subject (see the *Journal*, February 1993), will review the laws regarding income tax and tax on annuities and pensions as they pertain to Foreign Service personnel. The provisions will be reviewed on a state-by-state basis to make it easy for members to concentrate on laws that are applicable to their situation. Please note that while AFSA makes every attempt to provide the most up-to-date information, readers with specific questions should consult a tax expert in the state in question.

The first section of the guide will summarize individual state income tax provisions, and the second section will examine each state's laws on exemptions of annuities and pensions.

Many Foreign Service employees

have questions about their liability to pay state income taxes during periods posted overseas or assigned to Washington. It is a fundamental rule of law that all U.S. citizens, because they have the right to vote, retain a state of domicile even if residing abroad. There are many criteria used in determining which state is a citizen's domicile. One of the strongest determinants is prolonged physical presence, a standard that Foreign Service personnel frequently cannot meet, due to overseas service.

In such cases, the states will make a determination of the individual's income tax status based on other factors, including where the individual has family ties, where he or she is registered to vote or has a driver's license, where he or she owns property, or where the person has bank accounts or other financial holdings. In the case of Foreign Service employees, the domicile might be the state from which the person joined the Service or where he or she intends to return upon separation. For purposes of this article, the term domicile refers to legal residence; some states also define it as permanent residence. Residence refers to physical presence in the state.

Foreign Service personnel must continue to pay taxes to the state of domicile (or to the District of Columbia) while residing outside of the state, including during assignments abroad. Thus, it is advantageous if the state of domicile has little or no tax on income earned outside the state.

A non-resident, according to most states' definitions, is an individual who earns income or interest in the specific state but does not live there or is living there for only part of the year (usually, less than six months). Individuals are generally considered residents and are thus fully liable for taxes, if they are domiciled in the state or if they are living in the state (usually at least six months of the year) but are not domiciled there.

Foreign Service employees residing in metropolitan Washington, are also required to pay income tax to

either the District, Maryland, or Virginia in addition to paying tax to the state of their domicile. However, most states allow a credit, so that the taxpayer pays the higher tax rate of the two states, with each state receiving a share. The state of California regards Foreign Service officers who are domiciled in California but reside outside the state and do not earn income in California (as published in FTB Publication No. 1031) as non-residents for tax purposes. AFSA would like to continue hearing from employees who have a problem over this exemption.

There are currently seven states with no state income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming. In addition, New Hampshire and Tennessee have no tax on personal income but do tax profits from the sale of bonds and property:

There are also six states which, under certain conditions, do not tax income earned outside of the state: Connecticut, Missouri, New Jersey, New York, Pennsylvania, and West Virginia. The requirements are that the individual have a permanent "place of abode" in the state, and not spend more than 30 days in the state during the tax year. Also, please note that these six states require the filing of non-resident returns for all income earned from in-state sources.

AFSA is aware of a case in which a Foreign Service employee domiciled in Pennsylvania was forced to continue paying state income tax even though the employee was assigned overseas and occupied government housing. The state of Pennsylvania held that "quarters provided by the government at no cost to Petitioner cannot be considered as maintaining a permanent place of abode." Members of the Foreign Service who are quartered in government housing will have to pay income tax to Pennsylvania. If they rent their own home overseas, however, they will be exempt from these taxes. AFSA is not aware of a similar ruling in any of the other five states but Foreign Service employees should be aware that states could

challenge the status of government housing in the future.

The following list gives a state-by-state overview of the latest information available on tax liability. Tax rates are provided where possible. For further information please contact AFSA's Labor Management Department.

**Alabama:** Individuals who are domiciled in Alabama are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Alabama's tax rate ranges from 2 percent to 5 percent. To request forms write: Alabama Dept. of Revenue, Income Tax Forms, P.O. Box 327470, Montgomery, AL 36132-7470.

**Alaska:** No state income tax.

**Arizona:** Individuals who are domiciled in Arizona are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Arizona's tax rate ranges from 3.8 percent to 7 percent. To request forms write: Arizona Dept. of Revenue, Attention: Forms, 1600 West Monroe, Phoenix, AZ 85007-2650.

**Arkansas:** Individuals who are domiciled in Arkansas are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Arkansas's tax rate ranges from 1 percent to 7 percent. To request forms write: Dept. of Finance and Administration, Income Tax Forms Division, P.O. Box 3628, Little Rock, AR 72203.

**California:** Foreign Service employees are considered non-residents and do not have a tax liability on out-of-state income. For further information write: State of California, Franchise Tax Board, Taxpayer Services, P.O. Box 942840, Sacramento, CA 94280-0040.

**Colorado:** Individuals who are domiciled in Colorado are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Colorado's tax rate is 5 percent. To request forms write: Dept. of Revenue, Taxpayer Service Division,

State Capitol Annex, 1375 Sherman St., Denver, CO 80261.

**Connecticut:** Individuals who are domiciled in Connecticut are considered to be non-residents and are exempt from tax on their entire income if they have a permanent place of abode outside the state, have no permanent place of abode in the state and spend no more than 30 days in the state during the taxable year. To request forms write: Dept. of Revenue Services, Taxpayer Services Division, 92 Farmington, Ave., Hartford, CT 06105.

**Delaware:** Individuals who are domiciled in Delaware are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Delaware's tax rate ranges from 3.2 percent to 7.7 percent. To request forms write: Division of Revenue, Taxpayers Assistance Section, State Office Building, 9th & French Streets, Wilmington, DE 19801.

**District of Columbia:** Individuals who are domiciled in the District of Columbia are considered to be residents and are subject to tax on their entire income regardless of their physical presence there. The District of Columbia's tax rate ranges from 6 percent to 9.5 percent. To request forms write: Taxpayer Assistance Services, 300 Indiana Ave. N.W., Rm. 1046, Washington, D.C. 20001. Effective 1988, the D.C. tax exclusion no longer applies to Foreign Service employees. AFSA's appeal of the D.C. tax ruling has been denied, thus employees must pay D.C. income tax while residing in the District.

**Florida:** No state income tax.

**Georgia:** Individuals who are domiciled in Georgia are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Georgia's tax rate ranges from 1 percent to 6 percent. To request forms write: Georgia Dept. of Revenue, Forms Division, 305 Trinity-Washington Building, Atlanta, GA 30334.

**Hawaii:** Individuals who are domiciled in Hawaii are considered to

be residents and are subject to tax on their entire income regardless of their physical presence in the state. Hawaii's tax rate ranges from 2 percent to 10 percent. To request forms write: Oahu District Office, Taxpayer Services Branch, P.O. Box 3559, Honolulu, HI, 96811-3559.

**Idaho:** Individuals who are domiciled in Idaho are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Idaho's tax rate ranges from 2 percent to 8.2 percent. To request forms write: Idaho State Tax Commission, Forms Division, 700 West State Street, P.O. Box 36, Boise, ID 83722.

**Illinois:** Individuals who are domiciled in Illinois are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Illinois's tax rate is 3 percent. To request forms write: Illinois Dept. of Revenue, Forms Division, 101 West Jefferson St., Springfield, IL 62794.

**Indiana:** Individuals who are domiciled in Indiana are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Indiana's tax rate is 3.4 percent. To request forms write: Dept. of Revenue, Taxpayer Services Division, State Office Building, Room 208, 100 N. Senate Ave., Indianapolis, IN 46204.

**Iowa:** Individuals who are domiciled in Iowa are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Iowa's tax rate ranges from .40 percent to 9.98 percent. To request forms write: Dept. of Revenue and Finance, Forms Division, Hoover State Office Building, Des Moines, IA 50319.

**Kansas:** Individuals who are domiciled in Kansas are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Kansas's tax rate ranges from 3.5 percent to 7.75 percent. To request forms write: Kansas Taxpayer Assistance Bureau, Box 12001, Topeka,

KS 66612-2001.

**Kentucky:** Individuals who are domiciled in Kentucky are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Kentucky's tax rate ranges from 2 to 6 percent. To request forms write: Property and Mail Services Section, 859 East Main Street, Revenue Cabinet, Frankfort, KY 40620.

**Louisiana:** Individuals who are domiciled in Louisiana are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Louisiana's tax rate ranges from 2 percent to 6 percent. To request forms write: Dept. of Revenue and Taxation, Forms Division, P.O. Box 201, Baton Rouge, LA 70821-0201.

**Maine:** Individuals who are domiciled in Maine are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Maine's tax rate ranges from 2 percent to 8.5 percent. To request forms call 1-800-338-5811 or write: Bureau of Taxation, Forms Division, State Office Building, Augusta, ME 04333.

**Maryland:** Individuals who are domiciled in Maryland are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Maryland's tax rate ranges from 2 percent to 6 percent. An individual is also subject to a county income tax rate which is a percentage of the state income tax liability. For the 1993 tax year, Worcester County charges a 30 percent rate, Baltimore County charges a 55 percent rate and all other counties charge a 60 percent rate. To request forms write: Income Tax Division, State Office Building, 301 West Preston St., Room 903, Baltimore, MD 21201-2384.

**Massachusetts:** Individuals who are domiciled in Massachusetts are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Massachusetts's tax rate ranges from 5.95 percent to 12 percent. To request forms write: Massachusetts Dept. of Revenue, Supply

Forms Section, 100 Cambridge St., Boston, MA 02204-7033.

**Michigan:** Individuals who are domiciled in Michigan are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Michigan's tax rate is 4.6 percent. To request forms write: Dept. of Treasury, Forms Division, Treasury Building, Lansing, MI 48922.

**Minnesota:** Individuals who are domiciled in Minnesota are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Minnesota's tax rate ranges from 6 percent to 8.5 percent. To request forms write: Dept. of Revenue, Forms Division, Mail Station 4453, St. Paul, MN 55146.

**Mississippi:** Individuals who are domiciled in Mississippi are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Mississippi's tax rate ranges from 3 percent to 5 percent. To request forms write: State Tax Commission, Forms Division, P.O. Box 1033, Jackson, MS 39215.

**Missouri:** No tax liability for out-of-state income if the individual has no permanent residence in Missouri, has a permanent residence elsewhere, and is not physically present in the state for more than 30 days during the tax year. A return must be filed yearly with an attached affidavit of non-residency. Filing is also required on Form 40, Schedule NRI, for income of more than \$600 from Missouri sources. To request forms write: Tax Administration Bureau, Forms Division, PO Box 220, Jefferson City, MO 6105-2200.

**Montana:** Individuals who are domiciled in Montana are considered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Montana's tax rate ranges from 2 percent to 11 percent. To request forms write: Montana Dept. of Revenue, Income Tax Division, PO Box 5805, Helena, MT 59604.

**Nebraska:** Individuals who are domiciled in Nebraska are con-

sidered to be residents and are subject to tax on their entire income regardless of their physical presence in the state. Nebraska's tax rate ranges from 2.37 percent to 6.92 percent. To request forms write: Dept. of Revenue, Forms Division, 301 Centennial Mall South, P.O. Box 94818, Lincoln, NE 68509-4818.

**Nevada:** No state income tax.

**New Hampshire:** No personal income tax, but tax liability 8 percent on profits from in-state sources, including the sale of property and bonds. To request forms write: Taxpayer Assistance Office, 61 S. Spring St., P.O. Box 2072, Concord, NH, 03302-2072.

**New Jersey:** No tax liability for out-of-state income if the individual has no permanent residence in New Jersey, has a permanent residence elsewhere, and is not physically in the state for more than 30 days during the tax year. Filing a return is not required, but is recommended in order to preserve domicile status. Filing is required on Form 1040 NR for revenue derived from in-state sources. To request forms write: Dept. of the Treasury, Division of Taxation, CN 269, Trenton, NJ 08625-0269.

**New Mexico:** Individuals who are domiciled in New Mexico are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. New Mexico's tax rate is based upon income and filing status. Please contact the New Mexico Taxation and Revenue Dept. for further information. To request forms write: State of New Mexico, Taxation and Revenue Dept., Taxpayer Services, P.O. Box 630, Santa Fe, NM 87509-0630.

**New York:** No tax liability for out-of-state income if the individual has no permanent residence in New York, has a permanent residence elsewhere, and is not present in the state more than 30 days during the tax year. Filing a return is not required, but it is recommended to preserve domicile status. Filing is required on Form IT-203-I or IT-203-P for revenue derived from New York sources. To request forms write: Dept. of Taxation and Finance, Tech-

nical Services, W.A. Harriman Campus, Albany, NY 12227.

**North Carolina:** Individuals who are domiciled in North Carolina are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. North Carolina's tax rate ranges from 6 percent to 7.75 percent. To request forms write: Dept. of Revenue, Taxpayer Services Dept., Revenue Building, Raleigh, NC 27640.

**North Dakota:** Individuals who are domiciled in North Dakota are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. North Dakota's tax rate is 14 percent. To request forms write: Office of State Tax Commissioner, State Capitol, 16th Floor, 600 E. Blvd. Ave., Bismarck, ND 58505.

**Ohio:** Individuals who are domiciled in Ohio are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Ohio's tax rate ranges from .743 percent to 6.9 percent. To request forms write: Ohio Dept. of Taxation, Taxpayers Services, P.O. Box 2476, Columbus, OH 43266-0076.

**Oklahoma:** Individuals who are domiciled in Oklahoma are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Oklahoma's tax rate is based upon income and various exemptions. Please contact the Oklahoma Tax Commission for further information. To request forms write: Oklahoma Tax Commission, Taxpayer Services Division, 2501 Lincoln Blvd., Oklahoma City, OK 73194-0009.

**Oregon:** Individuals who are domiciled in Oregon are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Oregon's maximum tax rate is 9 percent. To request forms write: Dept. of Revenue, Forms Division, 955 Center Street N.E., Salem, OR 97310.

**Pennsylvania:** No tax liability for out-of-state income if the individual has no permanent residence in the

state, has a permanent residence elsewhere, and spends no more than 30 days in the state during the tax year. Filing a return is not required, but it is recommended to preserve domicile status. Filing is required on form PA40-NR for all income derived from Pennsylvania sources. Members of the Foreign Service living abroad in government quarters must continue to pay income tax. Pennsylvania's tax rate is 2.95 percent. To request forms write: Commonwealth of Pennsylvania, Dept. of Revenue, Taxpayer Services Dept., Harrisburg, PA 17128-1061.

**Rhode Island:** Individuals who are domiciled in Rhode Island are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Rhode Island's tax rate is 27.5 percent. To request forms write: Rhode Island Division of Taxation, Taxpayer Services Division, 289 Promenade St., Providence, RI 02908-5801.

**South Carolina:** Individuals who are domiciled in South Carolina are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. South Carolina's tax rate ranges from 2.5 percent to 7 percent. To request forms write: South Carolina Tax Commission, Forms Division, 301 Gervais Street, P.O. Box 125, Columbia, SC 29214.

**South Dakota:** No state income tax.

**Tennessee:** No personal income tax, but tax liability on profits from in-state sources, including the sale of property and bonds. Tennessee's tax rate is 6 percent.

**Texas:** No state income tax.

**Utah:** Individuals who are domiciled in Utah are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Utah's tax rate is 7.2 percent. To request forms write: Utah State Tax Commission, Taxpayer Services Division, Heber M. Wells Building, 160 East Third Street, Salt Lake City, UT 84134-0200.

**Vermont:** Individuals who are

domiciled in Vermont are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Vermont's tax rate is 28 percent. In addition, there are two surtaxes: a 3 percent surtax on the federal liability between \$3,400 and \$13,100, and a 6 percent surtax on the federal liability over \$13,100. To request forms write: State of Vermont, Dept. of Taxes, Taxpayer Services Division, Pavilion Office Building, Montpelier, VT 05602.

**Virginia:** Individuals who are domiciled in Virginia are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Virginia's tax rate range from 2 percent to 5.75 percent. To request forms write: Virginia Dept. of Taxation, Taxpayer Services Division, P.O. Box 1317, Richmond, VA 23210.

**Washington:** No state income tax.

**West Virginia:** No tax liability for out-of-state income if the individual has no permanent residence in West Virginia, has a permanent residence elsewhere, and spends no more than 30 days of the tax year in West Virginia. Filing a return is not required, but it is recommended to preserve domicile status. Filing is required on form IT-140-NR for all income derived from West Virginia sources. To request forms write: Dept. of Tax and Revenue, Taxpayer Services Division, P.O. Box 3784, Charleston, WV 25337.

**Wisconsin:** Individuals domiciled in Wisconsin are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Wisconsin's tax rate ranges from 4.9 percent to 6.93 percent. To request forms write: Dept. of Revenue, Taxpayer Services Division, 125 South Webster St., P.O. Box 8933, Madison, WI 53708.

**Wyoming:** No state income tax.

#### **State Pension & Annuity Tax**

The laws regarding the taxation of Foreign Service annuities vary greatly from state to state. In addition to

those states that have no income tax or no tax on personal income, there are several states that do not tax income derived from pensions and annuities. There are three states, Iowa, Kansas and North Dakota, that tax Foreign Service annuities while exempting those of the Civil Service. In addition, Idaho and Oklahoma have provision that exempt certain amounts of Civil Service annuities. It is unclear from the information available to AFSA whether the exemption pertains to Foreign Service annuities as well.

In response to the U.S. Supreme Court's decision in *Davis v. Michigan Department of the Treasury*, annuitants in a number of states are challenging unequal taxation of state versus federal annuities. In this precedent-setting decision, the court ruled that the policy of the state of Michigan to exempt from taxation the annuities of retired state of Michigan and local government employees while taxing the annuities of retired federal employees residing in Michigan discriminates against federal annuitants and is therefore unconstitutional. Because many states have similar practices regarding the treatment of annuitant income, individuals and groups are currently involved in litigation in order to compel their states of residence to comply with *Davis v. Michigan*.

In particular, retired AFSA members in Arizona have banded together with other federal annuitants to pursue a class action suit against the Arizona Department of Revenue. Interested parties are encouraged to contact: Brian Luscher, Bonn & Jensen, 805 North Second Street, Phoenix, AZ 85004, (602) 254-5557.

All other states tax Foreign and Civil Service annuities and pensions to varying degrees. The following information is current but does not reflect changes that may result from current legal action in various states in response to *Davis v. Michigan*.

**Alabama:** As of January 1, 1990, the United States Foreign Service Retirement and Disability Fund Annuities are not taxable.

**Alaska:** No personal income tax.

**Arizona:** Up to \$2,500 exempt.

**Arkansas:** Up to \$6,000 exempt.

The case was appealed by the state to the U.S. Supreme Court in late October 1991.

**California:** Fully taxable.

**Colorado:** Up to \$20,000 exempt, only if 55 or older.

**Connecticut:** Fully taxable.

**Delaware:** Two exclusions: (1) Up to \$2,000 exempt if earned income is less than \$2,500 and Adjusted Gross Income is less than \$10,000; if married and filing jointly, up to \$4,000 exempt if earned income is less than \$5,000 and AGI is under \$20,000. This is applicable if 60 years or older or totally disabled. (2) Amounts received as pension exempted up to \$2,000 if under 60 and up to \$3,000 if over 60.

**District of Columbia:** Up to \$3,000 exempt only if the taxpayer is 62 years or older.

**Florida:** No personal income tax.

**Georgia:** Up to \$10,000 exempt for those 62 years or older and permanently or totally disabled.

**Hawaii:** Full exemption.

**Idaho:** Up to \$13,056 exempt for a single return; up to \$19,584 if filing jointly. Up to \$13,056 exempt for unmarried survivor of annuitant. Must be 65 years or older, or 62 years or older and disabled. Amount reduced dollar for dollar by social security benefits. However, it is not clear whether this exclusion pertains to Foreign Service annuities. See above paragraphs for further information.

**Illinois:** Full exemption.

**Indiana:** Up to \$2,000 exemption for most 65 or older, reduced dollar for dollar by Social Security benefits.

**Iowa:** Fully taxable.

**Kansas:** Full exemption.

**Kentucky:** Full exemption.

**Louisiana:** Up to \$6,000 exempt, only if 65 years or older.

**Maine:** Fully taxable.

**Maryland:** For individuals 65 years or older or permanently disabled, pensions and annuities are excluded up to \$13,100 using the following formula: The total amount of Social Security benefits received is subtracted from \$13,100. The remaining amount is exempted.

**Massachusetts:** Full exemption.

**Michigan:** Full exemption for Civil Service annuities. See above for discussion of U.S. Supreme Court decision in *Davis v. Michigan*. Foreign Service annuities may exclude \$7,500 when filing singly and \$10,000 when filing jointly.

**Minnesota:** Individuals 65 and older or permanently disabled may obtain an exclusion of certain income by filling out a Subtraction for the Elderly form. Whether an individual qualifies for an exclusion depends on several criteria, including amount of income, Social Security benefits received, and the pension. An individual must fill out this form to determine if he or she qualifies.

**Mississippi:** Fully taxable. Note: beginning January 1, 1994, retirement income is exempt from state income tax.

**Missouri:** Fully taxable.

**Montana:** Full exemption.

**Nebraska:** Fully taxable.

**Nevada:** No personal income tax.

**New Hampshire:** No personal income tax.

**New Jersey:** In general, pensions and annuities are subject to the New Jersey income tax with the following exemptions for individuals who are 62 years or older, or totally and permanently disabled, to exclude all or a portion of their pension income as follows: singles can exclude up to \$7,500; married filing jointly can exclude up to \$10,000; and a married couple filing separately can exclude up to \$5,000 each.

**New Mexico:** Up to \$3,000 is exempt.

**New York:** Full exemption for individuals over 59 1/2 years.

**North Carolina:** Up to \$4,000 exempt.

**North Dakota:** Specifically, exempts Civil Service up to \$5,000 if they use Form 37. This does not include Foreign Service annuities. Foreign Service annuities are fully taxable.

**Ohio:** Gives a tax credit based on the amount of the retirement annuity. If the annuity is below \$500 then there is no credit. Annuity of \$500-1,499 merits a \$25 credit; \$1,500-

\$2,999 merits \$50 credit; \$3,000-\$4,999 merits \$80 credit; \$5,000-\$7,999 merits \$130 credit; and any annuity over \$8,000 merits a credit of \$200. The maximum credit per return is \$200.

**Oklahoma:** Up to \$5,500 exempt, however, it is not clear whether this exemption pertains to Foreign Service annuities. See above paragraphs for further discussion.

**Oregon:** Up to \$5,000 exempt, only if 62 years or older. It is phased out for annuities over \$30,000.

**Pennsylvania:** Full exemption.

**Rhode Island:** Fully taxable.

**South Carolina:** Under age 65 a \$3,000 exemption may be taken. Over 65 years of age a \$10,000 exemption may be taken.

**South Dakota:** No personal income tax.

**Tennessee:** Full exemption.

**Texas:** No personal income tax.

**Utah:** Under age 65 a \$4,800 exemption may be taken. Over 65 years of age a \$7,500 exemption may be taken.

**Vermont:** Fully taxable.

**Virginia:** \$12,000 plus \$800 personal exemption (excluding Social Security) for individuals over 65. \$6,000 is exempted (excluding Social Security) for people 62-65. There is no exemption for annuities for taxpayers under 62 years of age.

**Washington:** No personal income tax.

**West Virginia:** Up to \$8,000 exempt, only if 65 years or older.

**Wisconsin:** All amounts received from a U.S. government retirement system which are paid on the account of a person who was a member of, or who was retired from, the system as of December 31, 1963 are exempt from Wisconsin income tax. All other pensions and annuities are fully taxable.

**Wyoming:** No personal income tax.

*The author would like to express thanks to Mr. Bruce Hirshorn of Boring, Parrott & Pilger, P.C. for his help in preparing this article.*

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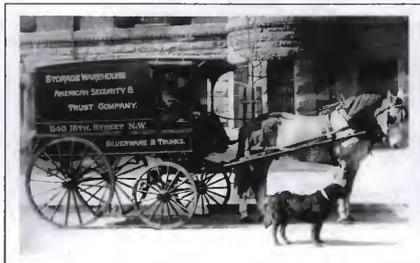
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# The ZHIRINOVSKY EMERGES AS A KEY PLAYER IN RUSSIAN

Hard-line demonstrators raise the flag of Russia's Liberal Democratic Party, left and the former Soviet flag while smoke from burning barricades billows in downtown Moscow on Oct. 2, when several hundred hard-liners opposed to the policies of Russian President Boris Yeltsin clashed with riot police.



WAKE OF RECENT ELECTIONS AND POLITICAL VIOLENCE

# FALLOUT

BY VLADIMIR SHLAPENTOKH

**D**espite endorsement of the new Russian Constitution by 58 percent of Russian voters in December's elections, the more politically significant event was the success of die-hard Russian nationalists and Communists. The election, which drew only 53 percent of eligible voters, turned Vladimir Zhirinovskiy, the ultranationalist leader of the Liberal Democratic Party, from the political clown of the mass media into a vigorous and charismatic political figure whose comparison with the early Hitler is no longer an exaggeration.

Russian pollsters totally failed to anticipate the results of the election with even a modicum of accuracy. They predicted Egor Gaidar would garner one-third of the vote, but he drew two times less. They also predicted that the Communists and the aligned Agrarian Party would together attain only 12 percent of the vote and they mustered twice as much. They almost completely ignored Zhirinovskiy, who surpassed all candidates with one-fourth of the vote.

The new Parliament can be expected to be more aggressively opposed to political and economic reforms, more hostile to the West, and much more inspired by imperial ideology than the disbanded Congress of People's Deputies. Many political experts in Russia and abroad once regarded this Congress as a remnant of Russia's dark past.

There is little doubt that President Boris Yeltsin's victory over the Parliament in October was an important milestone on the road to a democratic society based on a free-market economy. If the Aleksandr



© PHILIP SCHMIDT/REUTERS

Rutskoi-Ruslan Khasbulatov gang had triumphed in Moscow, Russia would have immediately suffered authoritative rule and aggressive, xenophobic ideologies and policies. Fledgling and legitimate private enterprise would have fallen to renewed and vigorous central state control.

However, the same cannons that pounded the Moscow White House into submission on Oct. 4 cannot guarantee that Russia will not endure an authoritative regime in the near future. The election emphasized the pitfalls in trying to gain the support of the people and parliament in promoting economic reform.

The Dec. 12 elections changed the political climate in Russia in radically negative ways. Yes, so far Boris Yeltsin remains president — and we should laud his decision to stay in power until 1996 — but the legal activity of the Parliament will be limited.

However, Russia is now a society that is distinctly split into two large classes: Those who have benefitted from reforms and those who were pauperized by them. The new Parliament reflects this immense cleavage and can hardly be an effective government body that productively cooperates with the president. Even the so-called “democrats,” a group headed by individuals as incompatible as Egor Gaidar and Grigori Yavlinskii, will not be able to create long-term alliances against their enemies.

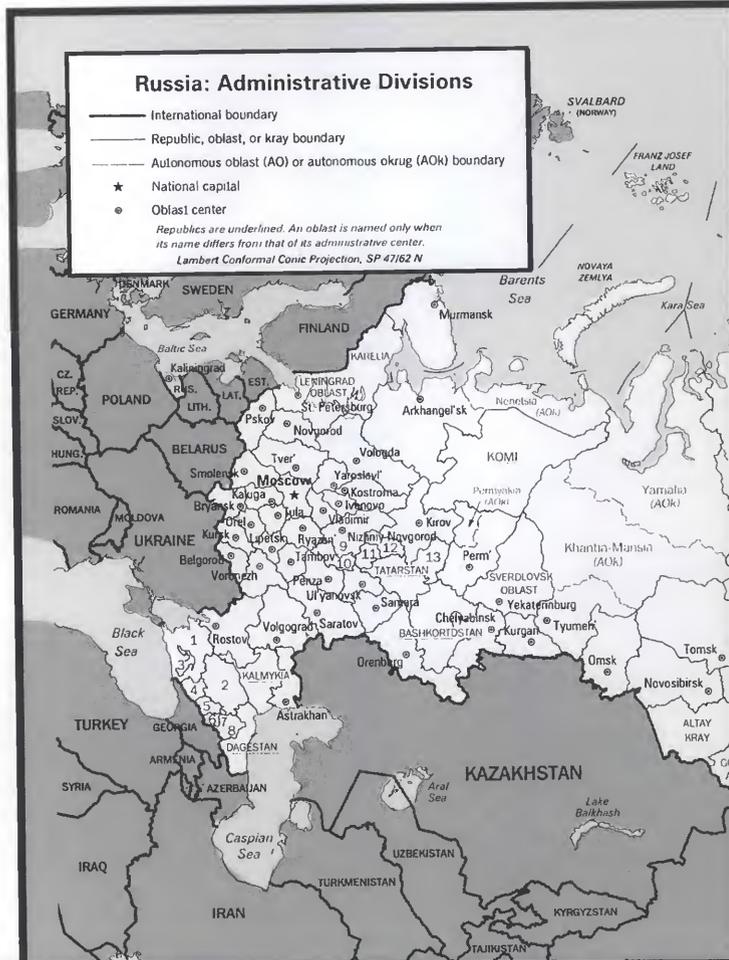
Even though the new Parliament is much less powerful than the president, it will be a source of permanent political instability. However, it enjoys a legitimacy that is superior even to Yeltsin's since he was elected in 1990 under the auspices of the Soviet Union. No fewer than half the deputies will now legitimately represent the most die-hard nationalistic and communistic forces in Russia on the podium and on television.

These deputies will immediately attack the legality of the new Constitution because it was endorsed by only one-third of eligible voters — and not the half demanded by the Parliament and the president in 1990. Nationalists and Communists will lambaste most projects that push Russia toward privatization and free-market reforms. They will evoke the support of their constituencies while encouraging

strikes, rallies and demonstrations against all reforms. With the evident popularity of nationalists and Communists in the army and the State Security Ministry and the Police Ministry, the opposition, especially under the leadership of a charismatic leader like Zhirinovsky, will be very influential in Russian politics even if they do not control the government.

Even more dangerous will be the use of the Parliament and TV by nationalist deputies to foment strong existing hostility toward non-Russians. Zhirinovsky wants to divide Russia into provinces and eliminate the autonomy of Tatars, Chechens, Bashkirs and other ethnic groups. This idea is now supported by several politicians in the democratic camp. Russian Jews, whose anxiety about their future has subsided significantly in the last two years along with their emigration rate, now contemplate mass exodus.

The most dangerous consequence for the world of Russia's recent election is the foreign policy of the new opposition. For instance, more than half the new depu-



ties will probably support Zhirinovskiy's declaration that "all destructive processes in the Soviet Union and Russia were provoked by foreign rivals." Many new deputies, including those from the democratic camp, will use the Parliament for wrathful attacks against Russia's humiliation on the world arena.

Warsaw and Prague recently begged Washington and London for acceptance into NATO. Although they were not admitted, we can now expect their pressure on NATO to increase tremendously while current arguments against them will sound even less convincing. To them, Zhirinovskiy's promise to recapture Poland and Finland is no longer a joking matter.

The mood in Riga, Kiev, Almaty and the capitals of the other newly independent states are even worse than in the capitals of Eastern Europe. Many newly elected conservative deputies support the restoration of the Soviet Empire. This stance, if only in its less extreme forms, is increasingly embraced by Communists and democrats alike. It is not surprising that Ukrainian

nationalists also are vigorously renewing their anti-Russian propaganda, which drastically increases the likelihood of a confrontation between these nuclear powers. Kiev's refusal to abandon its nuclear weapons will become even more uncompromising than its current stance.

**B**ut the election should have been no surprise in the aftermath of the anti-Yeltsin feeling that fomented the Oct. 3 "Bloody Sunday" near-seizure of the Kremlin, when a disorganized mob of 10,000 overwhelmed an unexpectedly flaccid security apparatus.

The opposition to Yeltsin reflects Russians' deep suspicion of Western liberal capitalism and its ability to solve their problems in Russia's contemporary historical context. This opposition, despite its more vile rhetoric and obnoxious arguments that trumpet xenophobia and anti-Semitism, challenges Yeltsin's and his Western advisors' postulate of universalism in economic and social development.

It should not be forgotten that among the defenders of the White House were a significant number who were ready to die for their convictions. They were sure that they were saving Russia, its glorious past and future, their impoverished country and Russian culture and traditions. Some of them also believed that they were defending democracy against a perfidious usurper whom they elected only two years ago. Such firm convictions among the defenders were confirmed by the subsequent arduous political struggle and its developments.

Russia's major problems are pervasive and a short list might include the decline in living standards for the majority of Russians, radical changes in property relations and the emergence of a semi-parasitic new rich class, snowballing economic inefficiency, increasing social differentiation, criminalization of the society, and sharpening conflicts of vital interests between the center and the regions. They are of such enormous complexity that it is impossible to imagine that they can be significantly mitigated even if Yeltsin works with a pro-reform Parliament, let alone one divided.

But there had been pre-Bloody Sunday warnings as well. Yeltsin had declared an all-out war on



Parliament on Sept. 21, and he was aware that the White House was full of weapons. However, the Kremlin turned out to be almost totally unprepared for the opposition's military actions. The major targets, Moscow TV and the mayor's building, were practically defenseless. It also took several hours before the regime's troops assaulted the rebels. The actions of various members of the government were evidently not coordinated in the crucial moments. Gaidar called his own Muscovites to the streets, but they were defenseless before the attacks of the armed group. At the same time, Moscow's Mayor Yury Luzhkov exhorted his residents to stay home.

Yeltsin himself decided to spend the weekend at his dacha during the most acute political crisis of his presidency. He only returned to the Kremlin several hours after the beginning of the bloody confrontations.

The leadership of Ostankino TV, which is a major political institution, also showed itself as inefficient and was totally impotent during the state of emergency. It ceased broadcasting without serious reasons and was unable to engage its reserve transmitters. If not for the successful action of another station, Russian TV, there would have been a total news blackout in the crucial hours of the crisis.

By midnight that night, many members of the political leadership were in a defeatist mood. A conversation made public between Lev Ponomarev, a leader of Russian democrats, and Evgenii Savostianov, the head of Moscow security, revealed that evacuation was a prominent consideration.

During an Oct. 5 speech, Yeltsin hinted at disarray in governmental quarters that memorable night. Of course, he failed to mention that he did not appear on TV during the crisis to give information or rally his supporters.

The chaos in Moscow was so intense for several hours that night that even Yeltsin's critics cannot admit it. Instead of citing the ineptitude of the administration, they prefer to advance theories of a smartly arranged strategy. They think that Yeltsin's goal was to provoke the leaders of the White House to violent actions. They point

out that the cordon around the White House was intentionally ineffective. They accuse Yeltsin of sending misleading signals about the disorder in Moscow and the defection of military units. They are now suspicious of the inept defense of the TV station and other key targets.

**T**he army, police and security apparatus poignantly displayed their disloyalty to Yeltsin's regime through their public ambivalence. After the shooting began around Ostankino, a high official in the Ministry of Security did not mince words with *Moskovskie Novosti* journalists. "I will speak honestly with you. I am personally neither for Yeltsin nor

## Helping Russians to

BY TERRY F. BUSS

**T**hese are the best and worst of times to be working with public officials in Russia. Our project, which offered training in Russian cities outside of Moscow, sprang from a successful USIS effort in Hungary that began in February 1991. The USIS identified city and regional government officials who needed technical assistance and then offered three- or four-day customized seminars in structuring joint ventures, issuing municipal bonds, financing infrastructure, preparing budgets, entrepreneurship or export promotion. Seminars were followed by one-on-one consultation.

After the initial city visit, other programs were planned and other cities were added. Lessons learned were discussed at regional conferences, which drew officials from other cities. At the conferences, cities interested in participating were identified and the process began again.

Training was offered by University of Akron and Cleveland State University faculties. Faculty members were teamed with experienced U.S. state or local government officials and private consultants. Programs were usually offered jointly with the Peace Corps, International Corps of Retired Executives, and the U.S. Commercial Service, where appropriate. Programs were practical, not academic.

Our team has made seven three-week trips to Russia thus far. USIA's American Participant program financed us. Other expenses are funded by the Freedom Support Act or USIS Moscow. Russian partners — a training center, a university and local governments — provided logistical support.

We chose to work outside Moscow, preferring Russia's regional cities — Nizhny Novgorod and Saratov in the Volga region, Yekaterinburg and Perm in the Ural Mountains, and Khabarovsk and Vladivostok in the Far East. Because of bureaucratic problems in Moscow, regional officials have autonomy to effect change. Poor communications and outmoded transportation systems make it impossible for Moscow to oversee other cities. Eleven Russian time zones further support regional autonomy. In addition, training programs such as ours are inexpensive, since we're on call.

Travel in Russia can be a nightmare. On Aeroflot, every flight is an adventure. Arranging for my mid-January flight to Siberia required seven trips — one hour each way — to the airport over three days, most in early morning hours before the flight left. No information about departures was available; flights take off at random. Once, while waiting to take off, I noticed a platoon of *babushkas* or elderly women de-icing the airplane wings with straw brooms. Some planes took off with a foot of snow on the fuselages — apparently *babushkas* could not reach that high.

Train travel is tedious and dangerous. Russian trains typically leave Moscow after 11 p.m. to arrive at their destinations early the following morning.

Khasbulatov. I think that in this situation the power should transfer to the Council of the Federation."

Indeed, when the fighting started in Moscow, the army hastened reluctantly to the defense of the regime. In fact, the commander of an elite division ordered his unit to go to the White House only "under the gunpoint of a deputy minister of defense," while another commander was removed from his position during the crisis. What is more, the number of officers in the White House was quite significant.

According to various sources, Defense Minister Pavel Grachev felt himself almost totally independent of the government, but quite dependent on individual commanders. He made decisions only with their approval. It

was Yeltsin and Prime Minister Chernomyrdin who went to Grachev's headquarters, not vice versa, where the minister of defense was persuaded to defend the regime.

The Ministry of Security was even more ambivalent on Bloody Sunday than the army. Its forces did not participate in smothering the rebellion. As in August 1991, the famous anti-terrorist unit "Alfa" again refused to take part in any action. They refused to storm the White House and conspicuously disobeyed other orders. In fact, they rather blatantly displayed their neutrality.

Victor Barannikov, the most recent ex-minister of security and proprietor of the most ample information about the mood and intentions of various groups inside and outside

the government, decisively took the side of the White House. He insinuated that Khasbulatov and Rutskoi could count on support from people in "the power ministries." Police were also unfaithful to the regime. On Oct. 3, several Russian journalists noted that Moscow was almost totally deserted by its 100,000 police officers. Moreover, several of them defected to the Parliament.

The subsequent decoration of the ministers of Defense, State Security and Internal Affairs with medals stunned Russians. Viktor Yerin, minister of internal affairs, even received the title, "Hero of the Russian Federation." These decorations were perceived as strong indicators of the feebleness of a president pretending that the "power ministries" were loyal to him. Indeed, Yeltsin after October faced the wrenching problem of whether to purge these institutions. Either decision has been fraught with danger. Several democratic advisers suggested that Yeltsin disband the Ministry of Security and create new bodies with new people at all levels. It was evident that this would diminish the threat of inter-government plots, but would create a veritable army of several hundred thousand disgruntled officers. They are experienced political fighters who would considerably strengthen the opposition's tactical effectiveness.

At the end of December Yeltsin, choosing seemingly the first op-

## Help Themselves

They travel at a snail's pace, stopping frequently; it's possible to fall off a moving Russian train and not be injured. Injury occurs only when engineers pop the clutch after stopping, strewing people and baggage around the cabin. Entire cabins are reserved to avoid bunking with strangers. Baling wire is carried to seal oneself in and deter crowbar-wielding train robbers from prying passengers from their cabins.

Russia is a land of opportunity, of entrepreneurship. Many Russian entrepreneurs establish themselves with no capital. They might defend their businesses against gangsters who machine-gun customers for extortion. They may pay up to 80 percent of their profits for taxes, not including bribes to officials. Most suffer oppressive regulation. They compete on uneven playing fields against heavily subsidized state-owned firms. Yet Russian entrepreneurs are everywhere. Some are even millionaires.

Many Russian officials work hard struggling with a transitional system neither Communist nor Democratic. They respect the United States and many would replicate our economic achievements, but not our political ones. Many take great risks working with Americans — there are still powerful anti-democratic forces in place. Most have well-developed senses of humor, revealed in their many anecdotes. My favorite is: "Scientific-Marxism is like trying to catch a nonexistent black cat in a dark coal mine, whereas Marxist-Leninism is like trying to catch a non-existent black cat in a dark coal mine and exclaiming, "Eureka! I've got it!" Most officials try hard to implement what they've heard. Advisers need to think about what they will recommend, since Russians are likely to do it.

Many Russian officials know little about the West. We were among the first Americans many had seen. The cities we visited supported Russian defense industries and had been closed until recently to foreigners. In a banking seminar, a colleague spoke to blank faces about consumer credit. He held up an American Express card, a universal symbol of indebtedness, also to blank faces. Without money, he explained, a cardholder could make purchases. Amazed faces requested applications.

What I admire most about Russian officials is that they have forgotten past animosities with the United States; they have asked for advice from outsiders; and they have exposed their society's good and bad to foreigners. I wonder how many other countries would have such courage. I also like their patriotism, not for communism, but for Russia.

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*Terry Buss is professor of public policy at the University of Akron in Ohio.*

**E**ven more dangerous will be the use of the Parliament and TV by nationalist deputies to foment strong existing hostility toward non-Russians.

tion, decided to replace the former Ministry of State Security with the federal Counterintelligence Service and fire about 30 percent of security officers. However, it is evident that the conflict between the regime and security is far from settled.

The events of September and October have immensely, if not irreparably, reduced the respect of Russians for democracy. The ugly character of the Russian Parliament and the Kremlin's by-any-means strategy to neutralize future parliaments deepen convictions that Russia is either unfit for democracy or needs another type of political order. Certainly the actual dissolution of the Constitutional Court and Parliament, the later shelling of the White House, the brutal detention of the deputies, and the total disrespect of local elected bodies and liberties such as a free press, underscore Russians' skepticism of Yeltsin's brand of democracy. It is therefore not surprising that even before Oct. 3, according to a poll conducted at the end of September, only 24 percent approved of a division of power while 64 percent preferred "the concentration of power in one hand."

What is more, during October's bloody days Moscow police harassed and beat Moscow and foreign journalists brutally. Their complaints went unnoticed by the Kremlin. Many

deputies who did not participate in the fighting were also mistreated and beaten by the police. During this "Black October" (to use another term coined by a Moscow newspaper), the police were encouraged to be cruel to all citizens. Even though many instances of police brutality were cited in the Moscow press, the Kremlin completely ignored them. It did not even make symbolic gestures of disapproval.

The introduction of formal censorship, hastily removed under Western pressure, is only one glimpse of the attitudes of Russia's rulers toward democratic values. Sergei Kondrashov, one of the most thoughtful journalists in Russia, notes that with unrestrained executive power the state of political freedom in Russia depends almost entirely on the West. It is the single protector of democracy in Russia. He adds that the West should take this role very seriously, because it also bears partial responsibility for the bloody developments in Moscow since it gave a green light to Yeltsin's assault on the White House.

All these developments damaged more than democratization. Yeltsin also accelerated the already declining respect of law in Russia. Yeltsin's actions in October aroused memories of the Bolsheviks who hailed "revolutionary law conscience" and expediency as the major reasons for their actions. In October, Yeltsin's people cited "the spirit of law" as opposed to "the letter of law."

After the October events, the current political elite finds itself split much more than before. The conflict between the two major factions, which has been quite strong for several months, has become even more acerbic. Both factions have drawn opposite conclusions from Black October, which justify their positions.

The first faction, headed by Egor Gaidar, Anatoly Chubais and Gennady Burbulis, relies on the successful implementation of economic reforms as in the past. This faction



AP BY ALEXANDER ZEMLANICHENKO

With the aid of a magnifying glass, an elderly Moscow woman studies the ballot before the Dec. 12 elections, the country's first post-Soviet parliamentary vote, in which the new constitution was passed.

believed that the parliament and nomenclature in the provinces were the major obstacles to their success. Without public recognition of it, this faction accepts some restrictions of civil rights as a necessary price for economic success. They imply a sort of "Chinese model" that will permit the government to manage imminent mass unemployment, to check the egalitarian feelings of the population and to quell the aggression of the lower class.

The second faction, headed by Sergei Shakhrai, Oleg Lobov, Alexander Shokhin and Sergei Stankevich, does not believe in the magic of market forces and privatization like the first faction. Being "statists," they strongly believe that in Russia's present context the state should play a crucial role in social life. They are sure that only the active participation of the state in the economy and in the social protection of people will save Russia from economic and social catastrophe. However, even more important are the differences in the priorities between the two factions. The first concentrates on economic issues. The second sees that maintaining order, preserving Russian statehood and partially restoring the Empire are crucial for Russia's economic recovery. The social basis of the first strategy are the new business elite. The second rests on the masses, the army and security apparatus and part of the opposition.

The months that followed the October events witnesses a struggle between the two factions in the current political elite around the crucial issue of the role of the state in society and the economy. Both factions fought each other during the last election campaign even though they were both afraid of Communists and nationalists.

The first faction is expected to coalesce around Gaidar's Russia's Choice. The second faction centered around Shakhrai's The Party of Russian Unity and Concord and Yavlinsky's election bloc. It also has a potential ally in Arkadii Volsky's Civic Union.

The conflicts between the two factions in the dominant establishment will be strongly influenced by the struggle between the ruling elite and the opposition. The faction of statists in open conflict can clearly rely on the support of some oppositional forces with which they share many common values. The recognition of the crucial role of the state in society is a prime example.

**T**oday's prospects for Russia's future are rather grim. The negative trends in Russian politics can only be reversed if the economic progress promised by the government benefits a solid majority of citizens and not just the one-fifth who have been aided in the past two years. Otherwise, encouraged by December's victory, nationalists and Communists will develop an overpowering offensive against Moscow's current regime.

Yeltsin faces a critical choice to either adjust to the new alignment of political forces or to challenge it by restoring the previous dominance of democrats in shaping the Kremlin's vision of the world. Paradoxically, the rules of the democratic game demand that he choose the first option and incorporate some elements of the nationalist and Communist programs into official policy while the second option demands a fight with the Parliament or its dissolution again. The second option portends a further shift toward authoritarianism that was initiated by him with the new Constitution. It is difficult to say which of these two options is worse.

So far Yeltsin seems to be exploring the first option. He has already sent signals about his willingness to consider the results of the election in making decisions. This is hardly promising for democrats like Egor Gaidar and Foreign Minister Andrei Kozyrev who are committed Westernizers. Among other changes dictated by the new election is Russia's increasingly uncooperative attitude toward the West, and the

**R**ussia is now a society that is distinctly split into two large classes: Those who have benefitted from reforms and those who were pauperized by them.

United States in particular, that might become periodically confrontational.

However, concessions rarely satisfy extremists if they feel their power is increasing. For this reason, a new confrontation between democrats and conservatives, perhaps even more sinister than this past October's violence, is very likely.

The United States and other countries of the West also face a difficult choice. They can carry on business as usual by supporting Yeltsin and avoiding all moves that can be used by the opposition against him. In this case, they must continue to deny Eastern European countries entry into NATO and must continue to offer tepid support for Ukrainian security concerns. They can also draw serious conclusions from Russia's recent election and profoundly revise and coordinate their foreign policies. They must then brace themselves for a period when a nationalist, aggressive and xenophobic dictatorship once again controls Russia. 🐼

*Vladimir Shlapentokh is a professor of sociology at Michigan State University.*

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# Camping out in

# Yerevan



## One Officer's Tale of Finding Humor During the Worst of Times

BY DAVID SIEFKIN

**“I**s it true that Armenians want to be first at everything?” The current joke in Yerevan runs. “Yes, this is why Armenia was the first country to go from the space age to the Stone Age.”

An assignment to the new embassy in Armenia was a two-year camping trip. Because of the conflict between Armenia and Azerbaijan over the enclave of Nagorno-Karabakh, Armenia has had no gas and rarely more than three or four hours of electricity a day since 1988. Yerevan, once one of the liveliest and brightest of Soviet cities, with over a million inhabitants, is silent, dark, and cold, the population huddled indoors, trying to stay warm.

I was assigned to open the USIS office in Yerevan in October 1992. My wife and I had a taste of what was to come when we struggled through a shouting, pushing crowd to board the plane in Moscow. Once we were aboard, some 40 more people crowded aboard and stood in the aisles. When the plane began to roll, 12 hours behind schedule, the stewardesses fervently crossed themselves. I began to wonder if at some point in my career I had seriously offended someone in Foreign Service Personnel.

Still, flying into Yerevan was easier than flying out. No western airlines serve Armenia. Air Armenia planes are apparently those that Aeroflot didn't want. During the winter, enterprising Yerevan residents snuck onto the runway to drain the wing tanks of parked planes to obtain kerosene for their heaters and lamps. Because of the shortage of jet fuel, planes routinely took off nearly empty and flew to the nearest Russian city, hoping to find some fuel. Then the passengers would stand around the plane, smoking, as they refueled. During one such refueling stop in Sochi, when my wife was a passenger, the male

passengers were asked to push the plane out to its place on the runway.

Our embassy in Yerevan, the first foreign embassy in Armenia, opened on one floor of the Hrazdan Hotel in February 1992, under Chargé Steve Mann. In July 1992, under Chargé Tom Price, the embassy moved into the old building of the Communist Youth League on Marshal Bagramyan Street. The bust of Lenin in the auditorium was hidden behind a sheet, but the socialist-realist paintings of heroic workers and peasants are still there to remind us of earlier times.

# A PRIMER ON ARMENIA

BY ROBERT J. MAUSHAMMER

Armenians, a friendly and well-educated people, are frustrated with their country's continued economic slide that has left half the labor force unemployed. Many Armenians do not understand why their economic and political independence should be so difficult.

The country's 3.5 million people are the product of centuries of oppression, adversity and a strong belief that their Armenian Apostolic Christianity is as essential a part of their national identity as is their language. Armenians endured the dismemberment of what was historically a much larger Armenia, 100 years of Russian hegemony and 70 years of Soviet rule, the Ottoman murder of perhaps a third of their number in the early part of this century, and pogroms of ethnic Armenians in Azerbaijan just a few years ago.

An economic blockade was imposed by Azerbaijan after the country supported ethnic Armenians in Nagorno-Karabakh, an enclave in Azerbaijan, in their fight for independence. The economic blockade has made life in Armenia very difficult. Natural gas supplies, which come through Georgia, frequently have been disrupted by Azerbaijani sympathizers in Georgia, who are also thought to have repeatedly damaged the railroad bridge in Georgia that Armenia depends on for virtually all other imports.

Armenia has survived the past two winters, but at considerable human cost. Life is characterized by commodity shortages, high unemployment and under-employment and cold winters. Last winter, the harshest in 44 years, many Armenians left for other parts of the ex-Soviet Union to be with relatives and share their heat, food and medical facilities. Those who stayed behind faced restricted food and energy supplies. Public schools were closed, transportation and communications services were sporadic, and electricity was available in homes in Yerevan for only about two hours a day. Subsidized bread and potatoes were the main foods affordable to most Armenians — many workers and pensioners had to subsist on a minimum wage or pension of under \$4 per month.

Age-specific mortality rates are not known, since such statistics are

closely held state secrets due to the war in Azerbaijan, but deaths are believed to have increased last winter, at least among Yerevan's elderly, and birth rates are believed to have decreased to half the levels of pre-independence.

Since independence in the fall of 1991, Armenia has seen its GNP shrink by about 70 percent. The country, which produces about one-third of its energy and cereal needs, is dependent on imports, especially fuels and grains. Dissolution of the Soviet Union and its trading systems meant the disappearance of almost all of Armenia's export markets, and the blockade has made the importation of energy and raw materials difficult. Virtually all of Armenia's exports, and most of its industrial production, consisted of components sent to now vacant factories in other parts of the former USSR.

In addition, many of Armenia's traditional suppliers in the former USSR now require payment in hard currency, and Armenia's ability to earn foreign exchange is extremely limited. Thus, imports and exports are few. Because of energy and raw material shortages, only about 10 percent of Armenia's factories were working at all last winter, most at 30 percent or less capacity. Inactive workers were paid nonetheless, some only a portion of their normal wages. Imports of many basics — wheat and medicines foremost among them — were financed exclusively by donor credits and grants.

Inflation has also been a continuing problem, affecting incomes and savings. Last year, prices increased 1,200 percent; this year, that story has not changed. Inflation was also imported. Until this year, most of Armenia's inflation simply reflected Russia's inflation, since Armenia used the Russian ruble. When Russia decided to stop using pre-1993 rubles internally, Armenia continued to receive only pre-1993 rubles from Russia. As former Soviet Union countries introduced their own national currencies, these pre-1993 rubles flowed from those countries abandoning the old ruble to those countries still using them, and were quickly exchanged for foreign exchange and goods from the local markets. In Armenia's case, just before the introduction of the Armenian national currency in late November, the exchange rate responded

When we arrived in the golden autumn of 1992, life in Yerevan was idyllic. With grapevines covering the front of the embassy, I could pick grapes from my office window. The creamy snowcap of Mount Ararat, just over the Turkish border, shone in the sun. Then, on Nov. 7, the first snow fell — and simultaneously the flow of gas ceased. Everyone in Yerevan plugged in his electric heater, promptly frying the city's electric grid.

Those embassy staff members who lived in the Armenia Hotel or apartments now found themselves living in iceboxes. Worse, when there was no electricity, there was

also no water. When the power was on, political officer Bob Patterson would quickly fill his bathtub so he could wash the next morning — even though he'd have to break through a covering of ice first.

Embassy administration officer Don Simmons and his wife slept on their couch in front of the fireplace, which he said brought them the closest they had been since they first married. Some embassy staff simply moved beds into the embassy and slept in their offices.

We were more fortunate. We had a quarter of a small, well-insulated stone house. We first heated our kitchen

# SINCE INDEPENDENCE

by rising to 15,000 rubles per dollar — 20 times its price in April. At that point, merchants were calculating prices in dollars in an attempt to protect themselves from inflation. Goods disappeared from the shelves, and many stores just did not open when the exchange rate jumped so rapidly. The average Armenian will have a hard time this winter. The minimum wage dropped to just 50 cents per month and kerosene costs about \$1 per liter. Little electricity will be available this winter for heating, cooking, washing or bathing.

Armenian economic policy-makers and the country's political leaders have stated their desire for a liberal democratic political system and a market-based economy and they have started the difficult process of converting from a centralized-command economy. Almost all agricultural land has been privatized, as has housing and some state-owned enterprises. But policy-makers have not been willing to stop supporting the Karabakh Armenians, remaining faithful to the wishes of the people who elected them.

The major U.S. foreign policy interest in Armenia is the cessation of these hostilities, plus promoting democracy and market-based economic growth, while ameliorating the potentially significant human consequences of the blockade and the legacy of the inefficient economic policies of the past. The International Monetary Fund will not provide import support until the fighting has stopped and economic policies are straightened out. The World Bank has delayed approval of even the most humanitarian projects. And the United States has responded to Armenian government requests for monetary support by deferring to the IMF and the World Bank decisions. In so doing, the United States has left Armenia to fend for itself against the Russian bear, which shows signs of wanting to regain — some would say continue — its political hegemony in Armenia and the rest of the Caucasus. By not bringing all available pressure on the Karabakh Armenians to negotiate a settlement with Azerbaijan, the Armenian government is following a high-risk strategy in which Armenian economic and eventual political independence is at stake.

Although the United States has declined to provide assistance to

stabilize the new currency and the economy — and it must be admitted that the Armenians did not present a well-conceived economic plan, USAID and the World Bank are pushing a proposal that would help reduce unemployment and reverse the widespread decay of productive physical and social infrastructure — providing hope to the typical Armenian voter that his life will improve with tangible U.S. support.

Longer-term U.S. efforts include support for many private American organizations working with Armenia. U.S. money helps to improve crop yields and incomes for Armenia's many new farmers and to increase local energy production and energy efficiency. The United States is supporting training and education at the American University of Armenia, which was established with U.S. assistance, and through USAID and USIS scholarships in the United States. Also, USAID provides experts in public health, private sector development, housing and energy who advise the Armenian government on policy design and implementation and operational changes. In total, the United States provided about \$120 million in development assistance and food aid in 1992-93, with prospects for almost that much in 1994 alone.

One of the reasons why the U.S. assistance program for Armenia is so large is that almost 1 million Americans of Armenian descent keep Armenia's plight before the eyes of the world and the U.S. government. Their well-organized representational groups were instrumental in convincing Congress to approve an \$18 million 1993-94 winter relief program. However, they have not yet convinced the U.S. government to support Armenian economic policy changes. Would economic assistance provide only a one-time boost or permanently help the economy? Would macroeconomic assistance make it easier for the Karabakh Armenians to press their military gains even further or would it increase U.S. leverage with the Armenian government? These are important questions to answer in contemplating future assistance.

*Robert J. Maushammer is a development economist who has been working as an independent consultant since retiring from USAID in 1993. He made three trips to Armenia as a USAID consultant in 1993.*

with a wood stove, then found a stove that would burn coal and make at least the kitchen livable. The wood stove became the center of our lives. It provided not only heat and a way to cook, but exercise (sawing wood), entertainment (watching the flames), and instruction (so this is what Dickens meant when he talked about the smoke and soot).

Light came from candles and a butane lantern. Later, we cooked over a butane camping stove. We heated water on the stove to wash. To chill food, Don Simmons and his wife opened the door of their refrigerator, since it was colder in the kitchen than inside the refrigerator. We froze food by setting it on the window sills or outside. We consoled ourselves with the belief that we were living better than most backpackers in the Sierras.

Some days the city had two or three hours of electricity, others none at all. We went one five-day stretch without a glimmer. Then, one glorious week, a famous Armenian gangster in Moscow was killed. His colleagues and associates held a classic gangster funeral, with guests from all over the former Soviet Union, Europe and even the United States. In his honor, they

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HIMSELF, BUT  
UNABLE TO FIND A  
TREE THAT HADN'T  
BEEN CUT DOWN.

paid for enough gas to keep the whole city lit for a week.

With no electricity or heat, most restaurants closed. One restaurant, "The Mafia," stayed open, since the owner was able to obtain anything he needed. The opening of a 24-hour pizza restaurant caused some enthusiasm, until we learned that it meant you had to order your pizza 24 hours in advance. The movie houses and theaters closed. Only the Armenian Philharmonic kept performing, although in a freezing hall. The audience wore winter coats and hats, and stood to sing the Armenian national anthem before and after each concert.

### WAR WOUNDS

Life outside of Yerevan was even worse. Once, when we were stranded in Gyumri, a city still in ruins from the 1988 earthquakes, along with a USAID driver and our press assistant, we spent the night in the only warm place in town — a Russian-made jeep with its motor running. In the southern

border city of Goris, political officer Rosemarie Forsythe found what was later described by a Washington magazine as "the worst hotel in the former Soviet Union," with mice in the bedroom, rats in the bathroom, and mushrooms on the walls. When I visited the hotel with our

military representative a few months later, the rats and mushrooms had been replaced by crowds of heavily armed soldiers, resting from battles along the border.

The war was small by world standards, mostly occurring in neighboring Azerbaijan, but it never seemed far away; standing on the border where the Lachin corridor connects Nagorno-Karabakh to Armenia, we could hear the shooting. One family in a border village apologized that their house was untidy due to rocket attacks: They had been living in the basement for 18



Siefkin collects wood, a scarce commodity, which provided heat and cooking fuel.

months. Militiamen in another border village proudly offered to show a journalist and me the Azerbaijani raiders they had killed — the bodies were still there, frozen, a month after battle.

The winter got colder and colder. Although the embassy soon obtained a generator, at first the wiring in the building was not strong enough to run both computers and heaters. Political officers Rosemarie Forsythe and Bob Patterson wrote cables by the light of butane lanterns. I found that, when the temperature dropped, my notebook computer would not boot — the oil in the hard drive had congealed. The only way to start it was to put it onto the top of the wood stove until it thawed out.

It would have taken horror novelist Steven King to properly write the first post report for Armenia. As the winter went on, Yerevan residents began to cut down trees, and even telephone poles, for firewood. Someone sawed off the banister of the stairway outside the apartment of GSO Natt Weiller and took it away for firewood. Hungry dogs began to attack city residents, including one embassy driver, until the police formed a special squad to hunt them.

Despite the winter, Armenians retained their dark sense of humor. One published cartoon showed an Armenian wishing to hang himself, but unable to find a tree that hadn't been cut down.

"Is it true that all Armenians will receive medals for surviving this winter? Yes. Those who leave will receive a survival medal. Those who stay will receive the survival medal posthumously."

## FROZEN VISITORS

As stories of the Armenian winter were circulated, particularly by the Armenian-American community in the United States, visitors began to come to see how bad the reality was.

Congressman Joseph Kennedy, Jr. arrived with a pleneload of journalists, all of whom were forced to check into the dark and frosty Armenia Hotel by flashlight. He was stranded for a day when his chartered plane unexpectedly disappeared in Georgia. Forlorn and frozen, the congressman and his staff appeared on the doorstep of USAID Director Suzanne Olds and were taken in.

Entertainer Cher, whose real name is Cheryl Sarkissian, arrived with her bodyguard, a crew from 20/20 and a photographer from *People* magazine, to pose atop the

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POSTHUMOUSLY."

toppled statue of Lenin. Since the embassy had helped her get visas for several sick children, Consul Ron Hams invited her to the embassy, where she agreed to be photographed with the embassy staff.

Our stay in Yerevan was the best and worst of times. The hardships seemed to bring out the good humor and ingenuity in everyone. Administration officer Don Simmons kept his parrot in the office to greet visitors. Communicator Cal McQueen persuaded the Defense Department that the embassy was a ship and had our office added to the Navy film circuit.

Though all of our local staff of Foreign Service nationals were new, and none had worked in an embassy or even a western-style office, they quickly adapted to our strange and mysterious customs. Armenia often seemed like one great extended family. We were accepted as almost-civilized cousins and made to feel at home.

There were no turf battles in Yerevan, though given the temperature, "tundra" would have been a better word. There was more than enough turf for everyone. There was a real embassy community, which gathered for a memorable Thanksgiving dinner in the warmest place in the embassy — the hallway between the office of the charge and the communications center.

The first winter finally did come to an end. I never before so much appreciated the first signs of spring. We knew that our life had not been so difficult compared to many embassies. We were not as isolated as some of the other former Soviet republics — we had direct telephone lines. There was no real fighting in Armenia and there was no real hunger or disease by Third World standards. The government was stable, democratic and pro-western. And we knew our life was far better than that of the local people. We had a generator, kerosene and dollars. So we were very fortunate.

The greatest reward of that winter was the feeling that we were doing something important, trying to help a country that need and wanted us. Just by being there during the winter, we showed the Armenians that they mattered to the United States. Even the Russians rotated their diplomats out during the winter.

Indeed, while this was probably the worst winter of my life, it was probably also the best. 🍌

*David Siefkin is the USIA public affairs officer in Yerevan.*

# IN MEMORY

**Sarah Elizabeth Evans**, 101, widow of Foreign Service officer Joseph Evans, died after prolonged illness on Nov. 4.

Born in Woburn, Mass., in 1892, she moved to Washington, D.C., at the beginning of World War I to work in the Department of State. From 1920-1953, she and her husband were posted in Europe, the Middle East and Latin America.

She is survived by her daughter, Betty Miller of Pacific Palisades, Calif.; seven grandchildren; and eleven great-grandchildren.

**Helen Kamer**, 59, a retired Foreign Service employee, died of cancer in Alexandria, Va., on Oct. 4.

Kamer joined the Foreign Service as a secretary in 1961 and was immediately posted to Bangkok. She later served in Tel Aviv. In 1975, while she was secretary to the assistant secretary of state for Near East and South Asian Affairs, Kamer was named the department's secretary of the year.

In 1978, she played a leading role on the staff of the team with President Jimmy Carter at his Camp David summit.

In 1979, she was assigned to Egypt. Then, after a short period back in the department in 1983-1984, she went on to New Delhi and Bangkok. In 1986, she returned to Washington to work in the department until she retired in 1993.

Kamer was born in Sellersburg, Ind., and attended the University of Kentucky.

She is survived by two brothers, Al and Carl; and a sister, Jean Waiz.

**Edward Peter Kardas**, 76, died June 23 at his home in Chevy Chase, Md. Kardas was born in Pennsylvania and graduated from La Salle College in 1938. He also attended Bucknell University.

Kardas worked briefly with the Department of Justice before serving in the U.S. Army. He joined the Foreign Service in 1946 and served successively in Bogota, Buenos Aires, Havana, Santiago,

and Algiers. He retired in 1969.

Kardas is survived by his wife, Lyla H. Kardas, of Arlington, Va.; two sons, Edward and Michael; and two grandsons.

**William A. Krauss**, 85, a retired Foreign Service officer and husband of retired Foreign Service secretary, Margaret Farrell Krauss, died in Ojai, Calif., on Aug. 17.

Krauss joined the Foreign Service in 1945 in Port au Prince, as an economic specialist. He was recruited for his wide knowledge of Haitian culture, mores and language acquired during his career as an author of numerous stories, many published in the *New Yorker*.

After Haiti, Krauss was assigned to Brazil and then to Guatemala as public affairs officer. He then served as consul general in Marseille. There, Krauss was selected by Ambassador John Hay Whitney to be his personal assistant at the Court of St. James in London from 1958-1960.

He was the USIS director in Tunis from 1960-64 and then public affairs director of the Organization for Economic Cooperation and Development in Paris. When he retired from the Service in 1970, he became the Paris editor for *Travel & Leisure* magazine.

He was born in New Jersey in 1908 and later attended the University of Virginia.

He is survived by his wife, Margaret F. Krauss, who lives in their home at Grey Gables in Ojai, Calif.

**Joseph John Montllor**, 77, a retired Foreign Service officer and real estate broker, died of cancer June 24 at his home in Alexandria, Va.

After 29 years of service, Montllor retired from the Foreign Service in 1975 as deputy chief of mission in Buenos Aires. He also served in France, Cambodia, Canada and Mexico. In Washington, he was the director of junior officer training, and served in the Office of

Caribbean Affairs and in the Office of Intelligence and Research.

Montllor was a native of New York and a Phi Beta Kappa graduate of Columbia University, where he received a master's degree in international relations. He was an exchange fellow at the University of Santo Domingo and graduated from the National War College.

He is survived by his wife, Ruth Johnston Montllor of Alexandria, Va.; three children from his first marriage, Michele, Thomas and Clytia; a daughter, Diane, from his second marriage; three sisters; and two grandchildren.

**Joseph H. Rogatnick**, 76, retired Foreign Service officer, corporate management executive, university administrator and professor of international management, died on Oct. 27.

Rogatnick, trained in both management and diplomacy, served in Iceland, China, Singapore, Malaysia and Germany. He was awarded a knighthood by the government of Iceland for assistance in the development of the country's economy.

Rogatnick served as president of the international subsidiary of Beatrice Foods Co. and had been a management consultant to Chase Manhattan Bank, Parke Davis & Co. and other major corporations.

He is survived by his wife, Shirley of Palm Beach, Fla.; a brother, Abraham; and a sister, Roselyn Olken.

**Don W. Rogers**, 67, former Foreign Service officer and New York State Commerce Department official, died on Dec. 3 at his home in Manhattan, N.Y., from lung cancer.

Rogers served in Naples and Rangoon before moving to New York, where he worked in trade promotion for New York state. He was born in Canton, Ohio, and served in the U.S. Navy during World War II and the Korean War. He graduated from Yale University in 1950.

He is survived by two cousins. 

# BOOKS

## Family Portraits: A 150-Year History of Mideast Diplomacy

### The Arabists, The Romance of an American Elite

By Robert D. Kaplan, *The Free Press*, 1993, \$24.95 hardcover, 333 pages.

Reviewed by Charlie Hill

The Foreign Service is already known by its post-war sovietologists (Kennan, Bohlen, Kohler, et al) and McCarthy-era "China Hands" (Service, Vincent, Clubb, Davies). Now comes Robert D. Kaplan's *The Arabists* to provide us with another list to enshrine in the pantheon. Kaplan has pulled the story together in a narrative which is at once swift yet also a pleasure to read slowly.

The subtitle, "The Romance of an American Elite" is fully borne out in the telling. Kaplan locates the American Arabists' inspiration in the glamorous lives and literary works of the famous "sand-mad Englishmen"—Charles Doughty, Gertrude Bell and T.E. Lawrence—yet also persuasively points out that the British eccentrics themselves derived from the veritable ancestors of the 20th-century American elite. These were the 19th-century missionaries, pure-hearted and ascetic New Englanders who found in Araby the chance to carry forward a life of clarity, dignity and spare Protestantism that increasingly eluded them at home. A century later, their Arabist descendants found that life in the Middle East enabled them "to escape the tedium of modern life, the crowding and industrialization of the American landscape, and especially, the loss of quaint privilege, which has accompanied the growth of the middle class and the suburbs after World War II."

Into the idyllic lives of this Foreign Service officers' clan came, with the clang of Zionism, the Jewish state. With this, Kaplan's story takes on the proportions and the portent of an

epic. A great deal of his analysis is given to the constant undertone of suspected anti-Semitism. Were one to follow William F. Buckley Jr.'s recent guideline — support for policies that tend to undermine Israel is tantamount to anti-Semitism — then the Arabists would seem to qualify. In a way, Kaplan's book is an extended anecdotal analysis of the complexities behind this proposition.

Taken as a whole, the book is a sort of *Aubrey's Brief Lives* of Middle East diplomacy. Among the portraits is that of a group of tireless, selfless and scrupulously fair-minded officers whom Kaplan calls the post-Arabist generation of "peace processors." As depicted in former Secretary of State George P. Shultz's recent memoir, these "scruffy, baggy-pants Middle East [diplomats], pistachio nutshells dropping from their pant cuffs, shuffling down the corridor (of NATO) among the elegant Eurocars," are an endearing contrast to many of their predecessors.

As Kaplan's narrative proceeds into the present, the range of personality types widens. We get "Horan of Arabia," his embassy's Ernest Hemingway, another embassy's Huckleberry Finn and a growing sub-cast that starts to resemble the scoundrel-packed jury in *The Devil and Daniel Webster*. Knowledgeable readers will alternatively be outraged and delighted as acquaintances are slandered or nailed dead-on.

In his final pages, Kaplan strains and stretches too far. His effort to prove that Arabists were accessories to Saddam Hussein's predations is the kind of free-swinging hatchet job all

too familiar to Washington readers. The climactic figure is Ambassador April Glaspie, depicted by Kaplan as the mother of all Arabists, a throwback to the missionary founders of the dynasty.

Kaplan suggests that the Arabist story is over. True, there will never again be anything quite like this century and a half's collection of characters. But there is a lot of relevant information and some useful lessons in this book. Senior Foreign Service officers can turn to the index, breathe easily if their name is missing, and learn more about their colleagues than they heard in person. Junior officers can be glad or sad about what they missed while picking up tips on how to handle current bureau cliques. And mid-level officers can prepare themselves for the reality that those who distinguish themselves too much are likely to be rejected eventually by their clients and abandoned by the political leaders they have tried to serve.

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*Charlie Hill, a retired Foreign Service officer, was the executive assistant to former Secretary of State George Shultz and served as the political counselor at the American Embassy in Tel Aviv.*

Reviewed by Jim Anderson

The very existence of a book called "The Arabists," about one influential slice of the Foreign Service, shows that the Middle East remains the most passionate of the various disciplines within the State Department. It has become the equivalent of the "Who Lost China" debate in the 1950s.

One can only hope that the results will be less traumatic than the McCarthyism that erupted from the China episode and devastated a branch of the Foreign Service. But a kind of accusatory ring has become associ-

## BOOKS

ated with the term "Arabist," which puts it into the political arena, the very worst place to hammer out foreign policy issues. One of the first uses of the term was in a landmark 1971 article in the *New York Times Magazine* by columnist Joseph Kraft. It implied that to be part of an Arabist-elitist cabal in the State Department was to be somehow anti-Semitic, or at least anti-Israel.

Perhaps Kaplan, a thorough, intrepid reporter, can help bring things back to the level of intelligent discussion through this book. I marvel at Kaplan's industry, not only in this book, but in his other works about the Balkans and Africa.

Kaplan traces Talcott Seelye's career as a prime example of how the system operates. Sometime it works in favor of the specialists in the Arab world, but sometimes views that contradict the line favored by the pro-Israelis cut you off at the knees, as in Seelye's case.

And sometimes it's the Arabs who cut off the Arabists' careers because of the discomfort of having a foreigner around who knows too much about the politics and culture of societies that some Middle Eastern rulers would prefer remains closed.

Kaplan follows the career of Hume Horan, the present U.S. ambassador to Cote d'Ivoire and former ambassador to Saudi Arabia. He is presented in such glowing terms that the next time I see Horan I'm going to ask him to walk across his embassy's swimming pool, if there is one, while conjugating a German irregular verb.

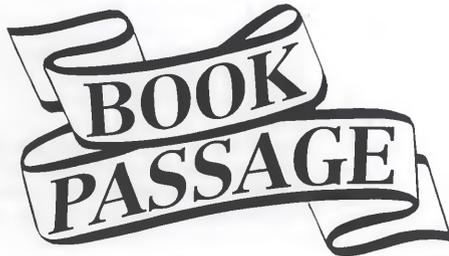
Horan is an impressive person and diplomat. In his case, according to Kaplan, the recall of Horan as U.S. envoy to Saudi Arabia took place at the insistence of the Saudi ambassador to Washington, Prince Bandar, who wanted a monopoly on the diplomatic traffic between Washington and Riyadh.

The book analyzes the divisions

that arose within the State Department and other agencies following the birth of Israel. It is best when it has the advantage of perspective and historical documents, showing how the dispute within the U.S. foreign policy establishment was fought — essentially the professional diplomats, many of whom were Arabists, against the politicians, many of whom were passionately or expediently tied to Israel and its fortunes. That's when the book rises above journalism, reaching the level of the definitive history of the rise and fall of an important part of the American diplomatic establishment.

It is only when the narrative approaches recent history — specifically, that period before the Gulf War — that it runs into spongy, treacherous ground, illustrating the shortcomings of journalism — even first-rate journalism — as opposed to the more measured, level gaze of the historian. April Glaspie, the ambassador to Iraq

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at the time of the invasion of Kuwait, chose not to speak to Kaplan or other reporters, and she comes out looking feckless, isolated and naive. John Kelly, the former assistant secretary of the Bureau of Near Eastern Affairs (NEA) and a non-Arabist, also did not make himself available to Kaplan and comes across looking even worse. Kaplan quotes Herman Eilts, a towering figure among the Arabists, as saying that Kelly was "a disgrace, the worst NEA assistant secretary in living history."

That journalistic assessment of those involved in Iraqi policy reveals a weakness in the book. Kaplan says, I think accurately, that Secretary of State James Baker and his chief assistant for the Middle East, Ambassador Dennis Ross, effectively took over the NEA bureau, and filled the traditional spots with docile generalists such as Kelly, a "Europeanist."

But, if Baker-Ross-Kelly hijacked the Middle East policy from the

Arabists, then it seems unfair, not to say illogical, to pin the blame on Arabists like Glaspie for the Iraq fiasco. Her reporting from Baghdad may have been less than perfect and maybe she shouldn't have been surprised at Iraq's invasion of Kuwait, but it's worth pointing out that the seasoned British ambassador also chose that time to take his vacation and was out of Iraq, clearly unaware of the impending invasion.

The final episode in Kaplan's book about the Iraq fiasco and its beginnings is unfinished history, good journeyman carpentry, but the walls are not painted and the curtains are not in place. It is not necessarily wrong but it is incomplete; good ephemeral grist for magazines and newspapers, but not up to the high standard set by the rest of the book.

The earlier parts of "The Arabists" are the finished, polished work of well-written history, which combine the liv-

ing witnesses with the written diplomatic and literary record. I can't think of a more important book for Foreign Service officers, Arabist or not, to read.

*Jim Anderson is a correspondent for DPA, the German Press Agency. A former correspondent for UPI, he has covered the State Department for more than 20 years.*

## Death of a Foreign Policy

### ASSASSINATION IN KHARTOUM

*By David A. Korn, Institute for the Study of Diplomacy and the University of Indiana Press, 1993, \$24.95 hardcover, 262 pages.*

Reviewed by Michael Sterner

On March 1, 1973 the two ranking American diplomats in Khartoum, Ambassador Cleo Noel and his deputy, George Curtis Moore, were seized during a diplomatic reception by mem-



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bers of the Black September organization, a Palestinian terrorist group. The next day, shortly after an announcement by President Nixon that we would not "pay blackmail" to gain their release, the two men and Belgian Chargé Guy Eid were murdered by their captors.

The gunmen subsequently surrendered to the Sudanese authorities, but 16 months later they were released and allowed to leave the country. In protest, Washington recalled its new ambassador and suspended aid, but normalized relations only a few months later, citing broader policy considerations. The action produced outrage among many Foreign Service officers and a sharp debate over the propriety of the administration's policy.

These are the bare facts upon which David Korn has built his engrossing study. Korn is a retired Foreign Service officer who has served in Arab countries as well as Israel. He has interviewed almost all of the key players and through a Freedom of Information request obtained formerly classified telegrams and memoranda. The result is an excellent book, distinguished for its thoroughness, historical accuracy, impartiality of judgment and readability.

This is also a very well-crafted book. The main thread of the story of the assassination and its aftermath is skillfully interwoven with chapters on the background of the Palestinian guerrilla movement, the recent history of Sudan and the personalities and careers of the two men. The author's examination of the decision-making process in Washington is well researched and minutely detailed.

*Assassination in Khartoum* is a gripping story of personal courage and tragedy. But more than this, it is an absorbing examination of U.S. policy and practice when confronted by the challenge of terrorism. Is our no-ransom, no bargaining policy the right one? How can proper control be maintained over the actions and statements of U.S. officials during the delicate period when hostages are

being held? How long should the U.S. government penalize a foreign government that fails to adequately punish captured terrorists, and what weight should be given to this aspect as opposed to other interests the United States may have in that country?

For the most part, Korn lets the reader draw his own conclusions to these questions, but this illuminating case study provides plenty of scope to consider them deeply.

*Michael Sterner is a retired Foreign Service officer who served in several Middle East countries.*

## One of Us

JOURNEYING FAR AND WIDE: A  
POLITICAL AND DIPLOMATIC MEMOIR

By Philip M. Kaiser, Charles  
Scribner's Sons, 1992, \$30.00  
hardcover, 352 pages.

Reviewed by Daniel O. Newberry

We career Foreign Service people are conditioned to take umbrage at the thought of unqualified political appointees to diplomatic posts. It is a refreshing antidote, therefore, to find so absorbing and so instructive a memoir by so distinguished a political appointee ambassador as Philip Kaiser.

Access to the White House and other high levels in the government was a key accomplishment of Phil Kaiser. Political acumen, a true vocation for public service, and the courage of his convictions were also important components in Phil Kaiser's case. The "access" element was out of the ordinary. Kaiser was, as early as 1946, already involved in international labor affairs and thanks to his political activism on behalf of President Truman's election in 1948, he was promoted to assistant secretary of labor for international affairs in 1949.

He became an intimate and trusted collaborator with the movers and shakers of the American labor movement: George Meany, William Green, the Reuthers and their lieutenants. Likewise, since Kaiser represented the United States at international labor

conferences, he developed close friendships with European labor leaders, contacts that would be crucial to some of his diplomatic undertakings in later years.

Kaiser had another network of contacts from his years as a Rhodes scholar at Oxford in the 1930s. Dean Rusk, himself a Rhodes scholar, had the inspiration to recruit Phil Kaiser to serve as Ambassador David Bruce's deputy chief of mission in London at a time when many of Kaiser's old Oxford classmates held British cabinet positions. Kaiser's memoirs recount colorful occasions when the DCM (often chargé d'affaires) called in his chips, so to speak, with his old school chums.

Taken as a whole, Ambassador Kaiser's diplomatic career looks like a paradigm of the notion of choosing political appointees who have unique qualifications for their nominated posts. John F. Kennedy sent Kaiser to Senegal because he wanted a trusted Democrat and intellectual to cultivate the superintellectual President Leopold Senghor. Similarly, President Carter, setting out to implement his "differentiation" approach to Eastern Bloc countries, sent Kaiser to Hungary, where his trade union credentials gave him entree to Hungarian personalities otherwise fearful of contacts with an American ambassador. In his final diplomatic post, Vienna, Kaiser had an interesting relationship with Chancellor Bruno Kreisky, reinforced by Kreisky's active role in the Socialist International and through it to trade union politicians in many countries.

When President Reagan took office in January 1981, Kaiser, like other Carter political appointees, was given two weeks to clear out of the Vienna embassy. Considering some of the more colorful aspects of Reagan appointments to that same embassy, it is hard to suppress invidious comparison with Phil Kaiser. Kaiser, now a vigorous octogenarian, has in the estimation of many Foreign Service career people, entered the pantheon of non-career professionals like David Bruce, Ellsworth Bunker or Averell

Harriman, each of whom we eventually came to think of as "one of us."

*Daniel O. Newberry, a retired Foreign Service officer, is a writer and lecturer on the U.S. foreign policy process.*

## **A Bengali Love Story**

**BANGLADESH: REFLECTIONS ON THE WATER**

*By James J. Novak, Indiana University Press, \$24.95 hardcover, 256 pages.*

**Reviewed by Elaine Bigelow**

The very name, Bangladesh, has become a by-word for poverty and despair, evoking images of famine, cyclones, and burgeoning population. For too long information about Bangladesh has consisted of barren analyses of adversity and disaster. In *Bangladesh: Reflections on the Water*, James J. Novak invites us to look again, from a different perspective, at the country once known as the "paradise of all the world." This is a love story based upon the author's ongoing affair with an exotic land. It is a story long overdue. Most important to the book's ultimate effectiveness, it is entertainingly written. Thus, once begun, it will be read in its entirety and with minimal interruption.

Love is blind, and Novak admits it. Only someone in love could live in Bangladesh through even one hot season and write that "there is no land on earth ... with a climate more pleasant than [that of] Bangladesh." With regard to the winter months, the description is accurate, even an understatement. Later he characterizes May and June in Bangladesh as an inferno. In this way Novak guards his objectivity with scrupulous candor and thoroughness, leading with the positive. Novak scrutinizes the many facets and paradoxes of this complex country compassionately and honestly. He begins with the beauty and charm of the country and its people, relates its long and illustrious history, and then considers the atrocities that have reduced this former land of prosperity to beggary and despair.

For example, Novak describes the twice-daily baths traditional among Bengalis as a modest ritual of joy and dignity, a means of cleansing and purification, and a sacramental rite reflecting the Bengalis' desire for cleanliness and freshness in body and spirit. Later Novak discloses that the vast majority of these fastidious people have only polluted ponds and rivers in which to bathe.

The effect of Novak's strategy is all that he could desire. He captures the reader's attention, admiration and sympathy and then describes straightforwardly the external and internal elements of thinking and policy that are detrimental to the country's survival.

Islam, much maligned and misunderstood in the West, is given due credit for its contributions to music, art, literature, science and justice and its humane treatment of widows and girls. The position of women in Bangladesh is compared with that of women in other Islamic nations and of other religions. Novak describes the informal welfare system intrinsic in the practice of Islam, which provides for the poor, the aged and the ill of both sexes.

Novak guides the reader meticulously and thoughtfully through the economic history of Bangladesh. During the half-millennium of Muslim rule, Bangladesh was a prosperous agricultural land and a world center of cotton and silk production. Novak points out that nearly all words related to cotton are Bengali words, including cotton, shirt, pajama, taffeta, muslin, shawl and gingham. When the British conquered Bengal in the 1757 Battle of Plassey, Bengal was one of the richest places on earth. The British victory was followed by 20 years of unmitigated plunder of conquerors and the British East India Company. It was primarily Bengal's vast wealth that underwrote Britain's supremacy for two and a half centuries. The weaving methods of Bengal were copied by the British to start their own cotton industry in Scotland and northern England. The Bengal textile industry was then destroyed by the British when, having copied the techniques of Bengal, the British

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## BOOKS

fledgling industry became threatened by the Bengalis' superior skill.

The more nationalistic government that followed could not compensate for the loss of shiploads of gold and silver taken from Bengal, for the famine in which one-third of the Bengalis perished, and for the destruction of the cotton-weaving industry. On the other hand, with diligent fairness Novak suggests that the positive contributions of the British legacy made possible the ideas that have held modern Bangladesh together. His recurring theme is that Bangladesh is neither historically, nor culturally, an impoverished nation.

The villains of Novak's book are foreign aid agencies. His heroes are the business executives whom he suggests are the agents of the country's future. Though he does admit up front that it is wrong to say that all foreign aid is a waste or that most of it goes to the rich, he blames foreign aid for hurting farmers and manufacturers and for corrupting the political processes. He does not explain why he believes the interests of Bangladesh might be a higher priority for commercial organizations than for aid organizations.

It is with regard to foreign aid that Novak deviates from the pattern that makes his book so effective; he tells the worst first, and only after USAID is irretrievably tainted in the reader's mind does he mention that American aid to Bangladesh has provided crucial disaster relief, development capital and expertise, all of which have precipitated economic growth. In fact, the worst he can say of aid organizations is that the forms their generosity take sometimes have more to do with their own surpluses than with the needs of Bangladesh, and that, in the worst-case scenario, they create a dependency that is bad for the country's long-term progress.

Novak is kinder to non-governmental aid agencies, such as missionary groups, Planned Parenthood, CARE, Save the Children USA, the Ford Foundation, Catholic Relief and the Asia Foundation, which employed him for three years in Bangladesh.

The most valuable part of the treatise concerns aspects of the Bangladeshi mind. Novak explores the unique Bengali relationship with Islam and secularism, and the immense impact of the country's poets and lyricists, past and present. He examines the effects of the ever-present specter of poverty on the behavior and ambitions of prosperous Bangladeshis, and the importance many of them place on maintaining an austere lifestyle. He describes the adverse impact of this value on economic progress in the country. He considers the new class of entrepreneurial elite who defy everything, both good and bad, that stands in their way.

The depth and breadth of Novak's experience in Bangladesh are impressive. His shrewd judgement is evident as he dares to examine the influence of the educated class, influenced profoundly by the Brahmos, of whom 1913 Nobel laureate Rabindranath Tagore remains the most famous and revered representative. The Brahmos combined all that they considered best from traditional and modern cultures and religions. The Liberation War of 1971 began with the massacre of 35,000 of their ranks by the Pakistan Army. Novak notes, "Their tragic absence is a wound to Bangladesh that has not yet healed." This is an understatement. He analyses their philosophy, particularly the impact on government and politics. It is impossible to estimate the continuing effects of the loss of 35,000 of the finest minds of the country at a crucial period in its history.

Novak's political history of Bangladesh is detailed, based largely upon interviews and direct experience. With regard to the future of Bangladesh, Novak's predictions are cautiously optimistic. This work deserves the attention of all who would understand and promote development in enigmatic environments. 

*Elaine Bigelow is an American teacher in Dhaka and author of The Beauties of Bangladesh: A Guide for Newcomers, published in June 1993 by the American Embassy in Dhaka, Bangladesh.*

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## Tribute to Training

By JULIUS WALKER

**“F**SI is giving courses to Albanians and Bulgarians? You're kidding!”

Such is the response from friends when I say that I led the first foreign diplomat training course for this mixed group at the Foreign Service Institute. They are surprised that young Foreign Service officers from former Iron Curtain nations would be trained by the United States.

Such exchanges may seem strange, but plans call for another class of 24 young diplomats from former Soviet states to be in Washington for six weeks of training in early 1994.

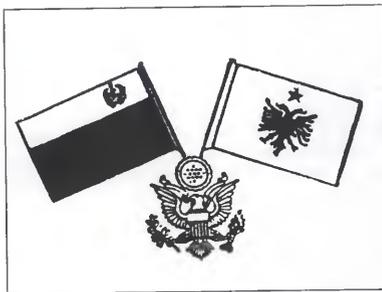
How does it happen we are training young diplomats from nations with which our relations were so strained for so long? The answer is simple — our action is in response to numerous requests from those nations. The first course for the Albanians and Bulgarians began after a visit in the middle of 1992 by then-Deputy Secretary Lawrence Eagleburger and then-Under Secretary for Management John Rogers to both these nations. Top leadership in each made strong pleas for assistance in forming their young diplomats. The Albanians noted their almost total lack of diplomatic experience and both said they wanted a new outlook to be part of the formation of their countries' new officers. Eagleburger and Rogers responded positively to the requests and assigned an officer experienced in foreign diplomat training to Rogers' staff with orders to meet the requests.

The officer, Vladimir Sambaiw, had been working with the Hoover Institution in California on its diplomatic training programs. He seemed totally undaunted by the task of select-

ing students, designing a course and getting everything underway in a few short months.

All the training was in English. Most of the Albanian group learned English at the university but, for political reasons, two or three had not been allowed to attend. Instead, they had bought shortwave receivers and English books, tuned in to the Voice of America and BBC — and taught themselves.

Another surprise was that the group contained seven women who were certainly among the best students in the class. I had worried whether the class would have any women, considering the influence of Islam on the two nations.



When the students finally arrived in Washington in January 1993, it was clear the one class included two distinct groups — one of Albanians and one of Bulgarians. An immediate challenge was to make a unit of a class composed of students whose nations sometimes appear, at best, wary of each other. We spent the first week at a nearby conference center. There we could be isolated and concentrate on getting to know each other. After hard work during the day and parties with wine, beer and dancing in the evening, we quickly formed a single group.

The young diplomats were in the United States for five weeks, and we tried to provide the same training FSI offers in the A-100 class. Obviously, we omitted such things as U.S. laws and regulations, but we included sections on the philosophy of embassy administration, principles of management and control of resources. Other subjects included intercultural relations, public speaking, protocol, negotiations, working with the press, and visits to several smaller Washington embassies, the Voice of America, the White House and other Washington landmarks. The final week was spent in New York, where the class met with business leaders, media representatives, advertising agencies, representatives from the United Nations and members of their own missions.

Training for these young diplomats is an investment in the future. As they gain increasing positions of importance, they will find it easier to communicate with Americans and will have a better idea of how we work and what can be expected from us. An interesting observation on this effect was provided by a senior foreign diplomat who had received similar training in the 1940s. He said, "ever since we've been the corps of a U.S. (trained) mafia in our government, and this has worked for the betterment of both nations." We will hope to have planted a few more such positive seeds and made a few more friends with these training sessions. 🎩

*Julius Walker is a retired Foreign Service officer who served as ambassador to Burkina Faso and as deputy chief of mission in Chad, Cameroon and Liberia.*

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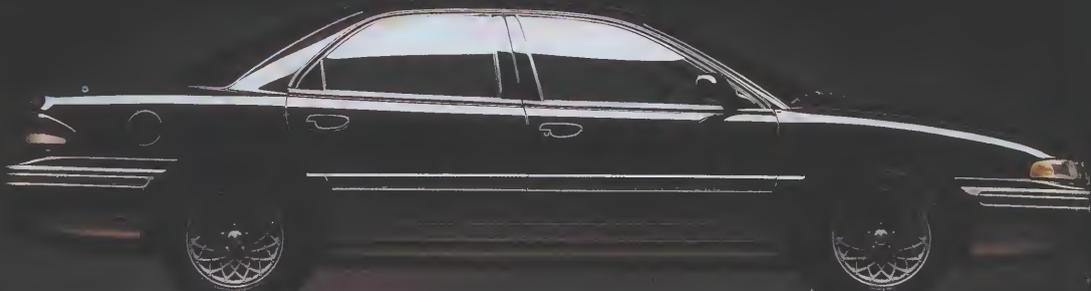
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