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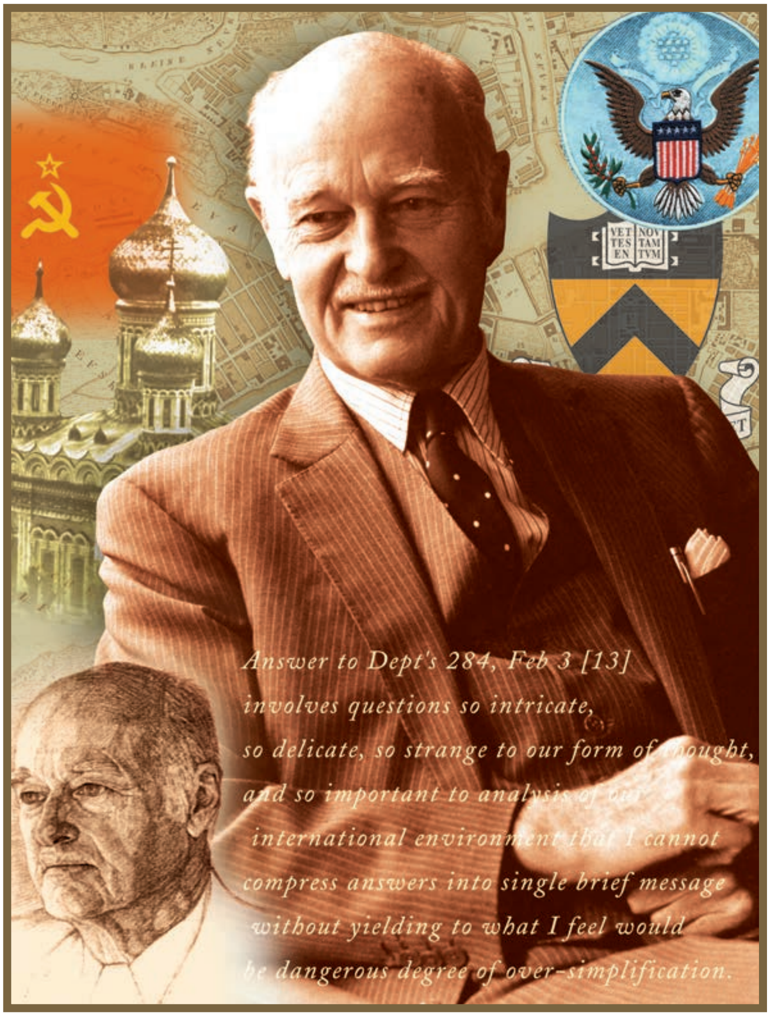
THE MAGAZINE FOR FOREIGN AFFAIRS PROFESSIONALS



AT A CENTURY'S ENDING

Diplomat Extraordinaire George Kennan Turns 100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Art by Mikkela Thompson

An Invitation for Summer Fiction

Deadline is April 1. No fooling.

Please send submissions (or questions) to Mikkela Thompson, *Journal* Business Manager, at thompsonm@afsa.org.

Once again the *FSJ* is seeking works of fiction of up to 3,000 words for its annual summer fiction issue. Story lines or characters involving the Foreign Service are preferred, but not required. The top stories, selected by the *Journal*'s Editorial Board, will be published in the July/August issue; some of them will also be simultaneously posted on the *Journal*'s Web site. The writer of each story will receive an honorarium of $250, payable upon publication.

All stories must be previously unpublished. Submissions should be unsigned and accompanied by a cover sheet with author's name, address, telephone number(s) and e-mail address.

Please also note the following:

- Authors are limited to two entries.
- Entries will only be accepted by e-mail (preferably in the form of Word attachments and with the text copied into the body of the message).

PRESIDENT'S VIEWS

All Honor to Our Veterans

BY JOHN LIMBERT

George Kennan, whose accomplishments you will read about in this issue, is just one of the many veterans of the Foreign Service who combined an honorable career with a distinguished retirement. About to turn 100, he is one of over 14,000 Foreign Service retirees, from all agencies, to whom we owe an enormous debt of gratitude for their service to our country.

Things were not always easy for George Kennan, either during his service or afterwards. The Nazis interned him and his staff in Berlin in the months following Germany's December 1941 declaration of war on the U.S. Released in an exchange of diplomatic personnel, Kennan recounts how the department had placed him on leave without pay for his period of captivity. The response to his protests was, "Well, Mr. Kennan, you weren't *working*, were you?"

Following his forced departure from Moscow in 1953, the administration ignored his expertise and forced him into retirement under a little-used provision of the Foreign Service Act. After his retirement, Kennan eventually did meet with Secretary Dulles to discuss Soviet affairs, and the Secretary said he hoped they could repeat such useful discussions from time to time. Kennan said he felt like the divorced wife whose ex-husband asks her to visit to prepare an egg dish that he especially likes!

John Limbert is the president of the American Foreign Service Association.

> *AFSA has found its retiree members to be a rich source of support and knowledge.*

Many of our retirees go on to second distinguished carriers in academia, the nonprofit world, consulting, and business, often in positions where they remain engaged in foreign affairs. Other retirees continue their association with the foreign affairs community and the Department of State. Recently, retirees have served in Iraq and Afghanistan. In my last overseas post, Nouakchott, retirees serving as WAE's kept us functioning. At various times they worked as our RSO, admin officer, information manager, office manager, and even our desk officer back in Washington. In the last case, the retired officer had been a chief of mission in a West African post, and his experience and background were invaluable to us. Routinely, retirees serve in the department as inspectors, examiners or analysts, and many are staffing State's 24/7 Political Military Action Team.

AFSA has found its well over 3,000 retiree members to be a rich source of support and knowledge, especially in our outreach programs. Retirees generously support our legislative action fund, our scholarship fund, and other AFSA programs. Retirees have spoken to dozens of community groups and have served on AFSA's Governing and Editorial Boards and on its committees. They have lobbied Congress, and have defended the Foreign Service enthusiastically against the Gingriches and Mowbrays of the world who would take potshots at our profession.

Yet like George Kennan, our more recent retirees, despite their record of service and self-sacrifice, have not always found themselves appreciated. In 2000, for example, retirees found themselves shut out of Main State for "security reasons." I suppose we could all rest easier knowing that the likes of Rozanne Ridgway, Bruce Laingen, Tex Harris and Henry Precht were kept out! More recently, AFSA has been helping those of our retirees who have received less-than-effective service from those responsible for their annuities and other benefits.

Our colleagues deserve our thanks, honor and recognition — thanks for their years of service, honor as veterans, and recognition for the work many are still performing. AFSA will continue to make good use of these colleagues' skills and experience. It will also continue to fight for their interests and to ensure that they receive the respect they have earned through honorable service to their country. ■

CYBERNOTES

> …President Bush's vision is clear and right: America's formidable power must continue to be deployed on behalf of principles that are simultaneously American, but that are also beyond and greater than ourselves.
>
> – Colin L. Powell, Jan. 1, 2004, *www.nytimes.com*

Testing Time for Nuclear Nonproliferation

A number of challenges to nuclear nonproliferation are on the agenda for 2004. Efforts to slow North Korea's nuclear escalation and halt Iran's apparent nuclear weapons program are ongoing. Libya has acknowledged its formerly clandestine effort, but the revelation that Pakistan was the Libyan program's chief sponsor shines the spotlight anew on the three nuclear powers that are not members of the nuclear nonproliferation treaty — Pakistan, India and Israel. The January outburst from NPT-member Brazil, resisting spot inspections of its new uranium enrichment facilities, points to another dilemma.

"We need a complete overhaul of our whole policy toward nonproliferation," says Ashton Carter, co-director of the Preventive Defense Project at Harvard University's Kennedy School and a former assistant secretary of defense for international security policy, in a New Year interview with the Council on Foreign Relations (**www.cfr.org**). "We've done one thing, taken out Iraq," Carter states, "but we must do a lot more." Among possible steps are closing loopholes in the 1968 Nuclear Nonproliferation Treaty and stepping up efforts to secure nuclear materials in the former Soviet states, an effort pioneered by the Nunn-Lugar program (**http://lugar.senate.gov/nunn_lugar_program.html**).

Nonproliferation policy, and the NPT in particular, will undoubtedly come under close scrutiny in the coming months. But year-end evaluations coinciding with the 50th anniversary of President Dwight Eisenhower's historic "Atoms for Peace" address to the U.N. General Assembly, where he pledged U.S. efforts to help solve the "fearful atomic dilemma" — to make sure that the fruits of the "miraculous inventiveness of man" are used for life, not death — show that the policy has proved itself in important ways.

In a talk reviewing the Atoms for Peace policy on Dec. 9, State Department Policy Planning Director Mitchell B. Reiss acknowledged that Eisenhower's vision had yet to be achieved and that the nuclear weapons threat had not only not diminished, but assumed new shapes and forms (**http://www.state.gov/s/p/rem/2003/27035.htm**). "But we also should note," Reiss concludes, "that more than half a century after the invention of the atomic bomb, well fewer than a dozen states actually have acquired nuclear weapons. Moreover, the community of nations has taken important steps to ensure the abolition of biological and chemical weapons. Other steps have been initiated to rein in the would-be proliferators of the world, and to keep WMD technology out of the hands of 'rogue' states and terrorist groups alike."

Arms Control Today's special December cover feature, titled "NPT Under Siege?," presents a comprehensive review of the current nonproliferation regime and an evaluation of the major problems at hand (**www.armscontrol.org**). In his editorial, "The New Nuclear Proliferation Crisis," Daryl Kimball takes aim at what he terms a newly "fashionable" tendency among some policy-makers to dismiss arms control and nonproliferation as ineffective and instead look to pre-emptive military action and the pursuit of new nuclear weapon capabilities to dissuade WMD wannabes.

But such an approach would forfeit essential nonproliferation tools and provide a false sense of security, says Kimball. "In practical terms, military pre-emption is no substitute for a comprehensive and consistent preventive approach," he states, urging, in particular, strengthened international monitoring and inspection. "Nonproliferation efforts have succeeded when U.S. leadership has been consistent and steadfast," states Kimball. Ironically, recent evidence that the alleged Iraqi program was, in effect, dead by the end of the Persian Gulf War puts the UNSCOM-IAEA effort in a new, more authoritative light.

US-VISIT Launched

The first phase of the Department of Homeland Security's massive entry-exit system, designed to track the more than 35 million foreign visitors to the U.S. every year, began operating Jan. 5 at 115 airports and 14 seaports. Though the program got off to a good start, adding only a minute or so to

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CYBERNOTES

50 Years Ago...

Fear is playing an important part in American life at the present time. … But it would be tragic if this fear, expressing itself in an exaggerated emphasis on security, should lead us to cripple the Foreign Service, our first line of national defense, at the very time when its effectiveness is essential to our filling the place which history has assigned to us.

— From a Jan. 17, 1954, letter to the *New York Times* by five former diplomats, *FSJ*, February 1954

entry procedures, the real challenge lies ahead for what is arguably one of the largest non-defense integration projects ever.

Mandated by Congress in 1996, the U.S. Visitor and Immigrant Status Indicator Technology program was put on an accelerated timetable by the U.S. Patriot Act of 2002, which also stipulated that the program include biometric data (**www.dhs.gov/**). It is to be phased into all land ports over the next two years, along with exit technology to track foreign visitors leaving the country.

The first phase involves an improvement of existing systems — such as the immigrant and photograph database IDENT, the Arrival and Departure Information System and the Interagency Border Inspection System — with the addition of a scan of two fingerprints and a digital photograph of each arriving foreigner. The data is checked against terrorist watch lists, and the visitor's identity is verified against State Department records. Exit technology — kiosks where departing visitors are required to scan their travel documents and which will later incorporate biometric data — is expected to be in place in 2004.

US-VISIT does not affect travelers from the 26 visa-waiver countries, whose deadline for adopting machine-readable passports with biometric identifiers has been extended to Oct. 26, 2004. At that time, both DHS and State must be issuing only machine-readable documents that use biometrics.

By May 2004, DHS expects to choose a "prime integrator" — Lockheed Martin, CSC and Accenture teams are in the running — who will be charged with delivering the entire system by 2006 (**www.fcw.com**). The real challenge will be integrating all the entry and exit data systems and ensuring interoperability with other relevant databases in different agencies. The system will have to be able to access data from as many as 19 separate networks already in existence, such as existing fingerprint databases and fast passes for workers who commute to the U.S. from Canada.

Privacy concerns and worries that tourist and business travel will be dampened have been raised, but budget constraints are perhaps the more serious worry. Appropriated $380 million in 2003, the project's 2004 budget request for $440 million was cut to $330 mil-

Site of the Month: www.pipa.org

Ever want to find out the reaction of Americans to a particular policy initiative, or do a reality check on American attitudes to foreign policy issues? If so, this Web site is a good candidate for your favorites' list.

The Program on International Policy Attitudes carries out regular research on public attitudes on international issues. It is a joint program of the Center on Policy Attitudes and the Center for International and Security Studies at Maryland, School of Public Affairs, at the University of Maryland.

The group's latest study, an early December report on American views on Iraqi reconstruction, found the public impatient, with seven in 10 respondents saying the U.N. should take the lead. Fully three-quarters felt Iraq was less important than pursuit of Osama bin Laden and al-Qaida.

The site also contains comprehensive analyses of public opinion on international issues ranging from biotechnology and globalization to regional topics such as Africa, China and Israel and the Palestinians.

Besides a complete list of its own reports and publications, the site has very useful links to other polling sources such as Harris, Gallup and Public Agenda, as well as media polls and professional and academic polling organizations.

lion. In September, the Government Accounting Office issued a critical report, arguing that DHS had neither the money nor manpower to make the project work. By some accounts, when fully operational the system will process as many as 600 million transactions every year. According to the GAO, its actual cost may be more than double the DHS estimate of $7.2 billion through 2014.

Bush e-Government Agenda Lagging?

A November investigation by the *Federal Times* and a survey conducted by the Government Electronics and Information Technology Association found that financial constraints, resistance from affected agencies and other problems continue to bedevil the ambitious program, and its completion by the end of the presidential term is unlikely (**http://federaltimes.com/index.php?S=2378353**).

The program involving 24 priority "e-initiatives" identified by President Bush in October 2001 has a home on the Internet (**www.whitehouse.gov/omb/egov**), where fact sheets, news releases and progress reports are available. In December, a new, comprehensive Web site containing information about finding and applying for all federal grant programs, **www.grants.gov**, was unveiled. In November, the *GovBenefits* site, **www.govbenefits.gov**, developed to serve citizens as the first government-wide resource for citizen benefit information and eligibility screening, was overhauled. The site, managed by the Labor Department, now has a new home page and improved questionnaire, and also includes state benefit information. The site presently contains information on benefit programs from 48 states and 418 federal agencies.

But *GovBenefits* was identified in the GEIA survey as exemplary of the problems many projects were encountering: federal agencies stalled the effort by refusing to share information about their benefit programs. Under the threat of constricting budgets, agencies also question whether the expenditure is worthwhile. Even some managers leading projects question OMB's commitment to funding.

The e-government projects are one part of the president's management agenda; the other is reforming how agencies manage IT. On that score, while the need for updated business cases and enterprise architectures has generally been accepted, project management requirements and information security assessments are still in contention. ■

Speaking Out

IT: Spending Is Not Enough

By Joe B. Johnson

The State Department has come a long way since its Wang technology made State the butt of jokes. In particular, Secretary Powell and his management team have brought the department up to speed with its federal counterparts and set it on track to acquire technology that will enhance its leadership role in foreign affairs.

Over the past 10 years, State traded in its Wang computers for PCs operating standard commercial software. By last May, 43,500 employees had gained access to a secure unclassified computer network linked to the Internet. And by the end of 2003, the department completed a similar classified network with global reach and connected to many other U.S. government agencies.

In fact, the Gartner Group, a noted technology consulting firm, recently informed a State Department steering committee that the department was about to enter the category of early adopters of information technology. But the dot-com bust taught business that being an early adopter is not enough. A recent article in the *Harvard Business Review* asserts "IT Doesn't Matter." Editor-at-Large Nicholas Carr contends that in the business world, acquiring a new technology no longer brings guaranteed return on investment.

Diminishing Returns?

At a technology conference in Philadelphia last July, the buzz among vendors and contractors was that while the bloom was off the private sector rose, government offered a potential boom market. In fact, the Office of Management and Budget thinks that State's IT budget, which now surpasses $1 billion, is headed in the wrong direction: up instead of down.

It is time to ask if the State Department is at the point of trying to buy its way out of operational problems instead of learning better ways to use what it's got.

It is time to ask if the State Department is at the point of trying to buy its way out of operational problems instead of learning better ways to use what it's got. Information technology cannot make information more accessible for decision-making without intelligent policies and good practices that promote knowledge sharing.

Complaints in the corridors are not about a lack of equipment, but about the management of information. Chief among the complaints are those about stovepiped information, unfindable documents and duplicative, uncoordinated investments in new applications.

OMB is pressing State's eGovernment Program Board to do something about the last problem, and requests for new projects face heavy documentation and scrutiny. But the other two problems will remain, no matter how much we spend, until we get our own house in order. The good news is that investments being made under the Diplomatic Readiness Initiative will provide solutions — provided our work force embraces them and adapts.

Getting SMART

SMART, which stands for State Messaging and Archive Retrieval Toolkit, is the largest single new program. It will replace cables, e-mail and other correspondence with a unified messaging system. Being developed for installation beginning in 2005, SMART will give each employee a single, portable electronic address, allow everyone to set his or her own profile for incoming messages, and permit much finer searches of correspondence.

A steering committee selected from the department's major business functions garnered unprecedented input from rank-and-file computer users in building the concept, persuading more than 400 volunteers in Washington and at overseas posts to test a concept prototype last year. Their input shaped the final design of the system, to be piloted this spring in Northern Europe and Washington.

In the course of developing SMART, State's steering committee had to confront and resolve principles like access to information. Distribution controls built into department communications networks and venerable protocols like TAGS have fostered the compartmentalization of knowledge rather than sharing. For example, it is difficult, if not impossible, for an employee to access even routine, uncaptioned political and economic reporting from another region.

A powerful search engine is part of the SMART concept, with the additional capability of allowing an employee to fine-tune categories of messages to be "pushed" into his or her electronic in-basket. (There will be twin systems for unclassified and classified information.) To make that feature effective, the steering committee pushed a decision memo on "defining conditions of access" to SMART all the way to the top.

Keeping Up with Technology

In October 2002, Secretary Powell signed off on guidelines for information-sharing under SMART that make classified and unclassified information broadly available to foreign affairs professionals with valid security clearances. That principle will open up political and economic reporting across the geographic bureaus. In this era, one can no longer say it is unimportant for the Brazil desk to see reporting on AIDS policy in South Africa, or for Brussels to know the latest Australian position affecting genetically modified farm crops.

Diplomatic practice must move forward with the technology. For every message of substance, it will be necessary to fill out a header that goes beyond TAGS to assign distribution and archiving. These new e-messages can include photographs and other attachments. Once the department's archive is replete with information, however, it doesn't mean that officers will automatically exploit it.

As State's technology catches up with the private sector, its workforce is lagging in the skills to make good use of even current capabilities.

Information search strategies and techniques are no longer the preserve of the reference librarian. News reporters and policy analysts throughout Washington use Boolean search strategies and work with research specialists every day. As State's technology catches up with the private sector, its workforce is lagging in the skills to make good use of even current capabilities.

A problem we have yet to confront is how to achieve unclassified mobile computing: access to the unclassified system from any department workstation, home computer or personal digital assistant. The State Department is a global enterprise. Some 3,000 Foreign Service officers transferred last summer alone, and staff is constantly traveling among our facilities in more than 250 cities. Yet each employee is largely tied to the computer at his or her desk, requiring special arrangements to access information from any other location.

What Is Security?

This is not a technical problem: the impediments are security-related, and not trivial. The people responsible for information security fear intrusions into the network and legal liabilities involved with "Sensitive But Unclassified" information such as Social Security numbers and privacy information on the network. The department has also suffered its share of the viruses and worms that plague everyone on the Internet.

But the department takes a much more conservative approach to mobile computing than do other government agencies or the private sector. And considering the global shift to mobile

User Survey
WHAT STATE EMPLOYEES WANT FROM IT

Based upon our professional awareness of what State does and what current technology offers to support diplomatic activities, the eDiplomacy Office reviewed eight information technology features with State employees through face-to-face encounters (including at overseas meetings) and through a first-ever poll of almost 900 substantive officers and staff in March and April 2003. The identified business requirements are ranked in order of importance to users as follows.

1. **User-friendly access to OpenNet e-mail from wherever you are, at home or abroad.** The ability to receive OpenNet e-mail wherever needed, including from home and while traveling.

2. **Collaboration across agency boundaries.** The ability to send interagency classified and SBU emails, access a full address/contact interagency directory, share/access interagency information through secure Web sites and more.

3. **Single login for all places and all user applications.** Once the user logs onto her/his computer, no further logins would be necessary to access all the data, programs and services that user requires and has access to. That same login would work on any department computer anywhere, including overseas.

4. **Viewing available information at the desktop using intelligent search and profiling.** The ability to receive information via advanced (Google-like) search and easily defined profiles to filter and define exactly the information the user wants.

5. **One-stop access to information resources and user-friendly applications that provide the information and services that users need for all aspects of work and career.** The ability to personalize a home page to access information and services from all relevant sources.

6. **Integrated messaging.** Sending and receiving core messaging modalities: faxes, e-mails, voice mails, alerts, etc. through a common user interface.

7. **Collaboration tools that facilitate cooperation and sharing without regard to limitations of time and location.** The ability to use standard collaboration tools such as virtual meeting spaces and shared filing, instant messaging, video conferencing, Internet (IP) telephony.

8. **Full-featured Web page to facilitate the promulgation and exchange of State Department information and views with all relevant audiences.** The ability to build and use Web sites or to offer e-government services that provide the industry-standard experience that users inside and outside government have come to expect.

computing, it should loosen unreasonable regulations. To eliminate (rather than manage) the risk of exposing some SBU information, we are fencing off everything. Meanwhile, let's be honest. Many employees have found workarounds on hotmail and Yahoo! accounts, and on completely unmonitored home computers. Is this part of our security policy?

As long as sensitive information remains undifferentiated on the unclassified network, we are likely to lag behind current business practice with regard to remote access to e-mail and other information sources. Unless State can find a technology solution to the problem of protecting SBU material, it may have to begin to segregate that information, so as to protect it while we enable our workforce to get on with the daily unclassified work.

It's All About "How"

In short, State Department employees are facing a new information environment, and that environment will shape new ways of doing their jobs.

State's major problem is no longer a lack of information technology. Our focus should turn to how we are using what we have.

How do you do business? The eDiplomacy Office would like to hear from you. Write us at http://www.extranet.state.gov/m/ediplomacy. ■

Joe B. Johnson is acting director of the State Department Office of eDiplomacy. This new office advises State's senior leaders on the department's business needs for information technology. It is also developing a knowledge leadership program and expanding State's electronic information sharing with other government agencies.

MR. X SPEAKS: AN INTERVIEW WITH GEORGE KENNAN

Ben Fishman

FRESH OUT OF PRINCETON IN 1926, GEORGE KENNAN JOINED THE FOREIGN SERVICE. IT CHANGED HIS LIFE.

BY BOB GULDIN

When he wrote an article for the *Foreign Service Journal* in 1953, the accompanying author's identification said, "George F. Kennan needs no introduction to *Journal* readers." That may no longer be quite as true as it was then, so a biographical note is perhaps in order.

George Frost Kennan is probably the best known and most highly esteemed scholar and shaper of foreign poli-

Editor's Note: Ambassador Kennan turns 100 on Feb. 16, 2004. This interview originally appeared in the May 1999 issue of the Journal. *To the best of our knowledge, it is the most recent full-length interview he has given.*

cy to emerge from the U.S. Foreign Service during its 80 years.

Kennan joined the Foreign Service in 1926, just two years after the Rogers Act was signed. As he explains below, the Service was then still very much in transition, from the old upper-crust diplomatic corps to a more democratic institution that could welcome a young man like him, a Milwaukee lawyer's son.

I must say that I loved the Service and the life and what it gave me.

Kennan was posted to Germany and the Baltic states, then served in Moscow with the first U.S. mission after the United States recognized the Soviet Union in 1933. He returned to Moscow in 1944, and while serving in the embassy wrote his famous "Long Telegram" to the State Department on the Soviet worldview, followed by a 1947 article in *Foreign Affairs*, "The Sources of Soviet Conduct," under the pseudonym "Mr. X." Kennan urged a sober view of ideologically based Soviet expansionism, and coined the term "containment" as an appropriate Western response.

Kennan is considered by many to have established the conceptual framework for U.S. policy during the Cold War — so much so, that when that era ended in the early 1990s, many observers asked who would be the "new Kennan" and establish a paradigm for the post-Cold War world. That question is still unanswered.

Secretary of State George Marshall selected Kennan in 1947 to be the first director of the department's new Policy Planning Staff. In 1952, Kennan served briefly as ambassador to the Soviet Union, and retired from the Foreign Service the next year. Soon thereafter, Kennan was appointed a professor at the Institute for Advanced Study in Princeton, a position he has held ever since, except for a stint as ambassador to Yugoslavia from 1961 to 1963. He has written numerous works on foreign policy and diplomatic history, as well as several memoirs. His book *Russia Leaves the War* won the Pulitzer Prize in 1957.

When we visited Kennan at his home in Princeton in December 1998, we found him, at age 94, charming, funny, self-assured and in full command of his material. When Mrs. Kennan, concerned for his health, attempted to cut the interview short, Kennan objected, "We've only gotten started! We'll need at least a half-hour more."

Perhaps we've found the Kennan for the new era.

Bob Guldin, a former editor of the Foreign Service Journal, *is now a free-lance writer and editor.*

Escaping Milwaukee

Foreign Service Journal: *As you know, this interview is occasioned in part by the upcoming 75th anniversary of the modern Foreign Service.*

George F. Kennan: It's also occasioned by the fact that I'm probably the oldest living retired member of the Foreign Service. I don't know if there are any older. At any rate, if anybody is, they're not very active.

FSJ: *What first drew you to the Foreign Service, as a young man fresh out of Princeton?*

GFK: I came from Milwaukee, Wis., but I hadn't lived there since I was 13, because I was sent away to military school for four years. There followed those four years in Princeton. At Princeton I took a regular humanities course with an emphasis on modern history.

There came a man from the State Department in Washington who spoke to those of us that might be interested in the Foreign Service. I had very few ties to Milwaukee at that time, and no particular desire to return.

When I left college, I sensed, quite correctly, that I wasn't really ready to make decisions about my future. The thought of going back to Milwaukee … I was afraid of getting caught there, with a job, a wife, a home and so forth, and never being able to get away from it. What the man told us about the State Department and the Foreign Service interested me, and so I applied. That meant, in those days, several months in Washington, practically an academic year of tutoring, because the Foreign Service exam demanded of you things you did not always have.

FSJ: *Even if one had done well at Princeton?*

GFK: Even if one had done well at Princeton. They did want things about the United States and American affairs and especially commerce and geography and all of that. So, like a number of other chaps, I did take the tutoring course given by a great big, often drunken, Scots scholar but a very wonderful teacher and an amazing man. Most of us who had taken his tutoring got in.

This was in 1925 and 1926, and then we took the exams. And only 18 of us were admitted out of 100-and-some candidates at that time. I was one of them. And I must say that I loved the Service and the life and what it gave me, from that time on.

They wanted to make sure that we didn't succumb to liquor or women or the wrong things.

FSJ: *At that point, the Rogers Act, which created the unified Foreign Service from what had previously been the separated consular corps and diplomatic corps, must have been very fresh history.*

GFK: It was. We were the second class admitted on the basis of the Rogers Act.

FSJ: *Was the unified Foreign Service still coming together?*

GFK: With rather surprising results. Because they found that the old diplomats who were supposed to be snobbish and look down on the Foreign Service acquiesced in this with good grace and good humor, and took their consular jobs and in many instances loved them, too. Whereas a number of the consuls general did not feel terribly comfortable in the jobs to which they'd been sent.

To this day, I'm not convinced that the amalgamation as it was then set up was entirely a good thing. Certainly, they should have much greater flexibility and movement from one service to the other. Perhaps it could have been more wisely architectured. But we were all sent to consular posts initially, that's my recollection. That was a good idea; it gave you a broader concept of American representation abroad than most of the purely diplomatic assignments would.

Calling on the Proper Ladies

FSJ: *Was there much difference in the qualifications or background or training between those who had come in previously and those under the Rogers Act?*

GFK: It seems to me the Rogers Act did signify a certain social democratization of the Foreign Service, as compared with the old Diplomatic Service. Remember that the old Diplomatic Service really assumed an independent income, and a pretty secure family or professional background in this country before you entered it.

At the time I was admitted to the Foreign Service, I don't think snobbish considerations played a great role. They were quite prepared to take other kinds of people, as they did myself. I didn't come from a wealthy family; my father was a modest lawyer. And I had no social connections whatsoever. What they looked for in the candidates was a firm, reassuring family background. They were impressed that I had come to Princeton and come through it creditably.

I can remember only one or two men in our class — both, incidentally, became excellent Foreign Service officers — who came of the old New England top drawer. They were very good men.

The only thing was they did feel that we ought to be able to go to a foreign post in a diplomatic capacity, and we ought to be able to deal with the diplomats of other countries. And the French and British and German governments almost invariably chose their diplomats from the upper classes. And these were fellows who knew how to behave themselves. Much greater stress in those days was given to manners than is given today.

We were supposed to have been the equivalent of officers in the Army or the Navy. That was why the term "Foreign Service officer" was chosen. When we came to Washington to enter this Foreign Service school, we were given a list of the ladies that we should call on in Washington.

We were part of the diplomatic family in Washington once we were appointed, and we were supposed to call on the proper people. And we were expected to go to their homes and if they were not home to leave a proper card with the proper initials on it. And if we were admitted, we were supposed to know how to enter what was very often a rather elegant and high-class home and acquit ourselves creditably of this task.

FSJ: *And did you do this?*

GFK: Oh, yes! We did, usually two of us together. Washington was considered to have a certain portion of its inhabitants who were in close association with the diplomatic corps, who formed the sort of society in which the diplomatic corps circulated.

***FSJ**: With the newly amalgamated Foreign Service, though, it was not quite so necessary that FSOs bring with them an independent income.*

GFK: Not quite so necessary. We entered with an annual salary of $2,500 a year. But many of the perks which now exist did not exist at that time. When you went to a foreign post, yes, they paid your way to the post, but after that you were on your own. You had to find your own housing. Nobody cared. All the State Department did was buy us a ticket, a steamship ticket usually, and after that they washed their hands of us. We had to find our way to the post and report to the senior officer. And then we had to find a place to live on our own expense.

***FSJ**: I understand there's more assistance with housing now.*

GFK: It's much more paternalistic now than it was then. We were rather assumed to have enough knowledge of the world and maturity to know how to go through all this.

If I have any hero, it was George Marshall, a man of qualities very similar to those of George Washington.

The One-Room Foreign Service Schoolhouse

***FSJ**: These days, when you enter the Foreign Service, there's the A-100 class, which is basic training for new FSOs. What kind of training did you get?*

GFK: We had at that time a Foreign Service School in the department, which was the first thing we were assigned to. It was in a comfortable room, one of the big rooms in the State, War and Navy Building looking down over the White House gardens. And I can remember Calvin Coolidge coming out and putting on Indian feathers to be photographed for some reason of his own.

***FSJ**: That's a famous photograph; you saw him in that garb?*

GFK: Yeah, we did (laughs). We were all taught by one experienced, older consul general of the service, William Dawson, who was a fine linguist and who had had very considerable experience in both the diplomatic and consular service — that was infrequent at the time.

***FSJ**: So you had one teacher for that course?*

GFK: We had one teacher, and we had classes in various things, what visa work was about, passport work, commercial work. And we were asked in the end to write a mock Foreign Service report. Great importance was attached at that time to your own writing ability and style.

***FSJ**: What then was your first assignment?*

GFK: My first assignment was officially as a vice consul in Hamburg. But just at that time Pinkney Tuck, who was a member of the old Diplomatic Service, a very distinguished one, had been made the American observer to the League of Nations in Geneva.

Tuck was serving as American consul general, and he found himself unable to cope with the consular work, because so many other demands were being made on him from the other duties as an observer and point of contact with the League of Nations. So Tuck asked for a couple of officers to aid him.

And a boy by the name of Henry Beck and I (Beck was a brilliant fellow; he'd gone through Harvard in three years) went out there in the way that I've described; somebody bought our ticket to Geneva, and said go out. And I remember we reported in at Tuck's office. He was very nice, very polite to us. And he said, "What brings you here? How long are you going to be in this town?" We said, "We're assigned here," whereupon he blew up, threw his papers around, and said, "Goddamn it, I asked for experienced officers and look what they send me!"

Well, we dug in, and took the consular correspondence very seriously. He was quite mollified. We did better than he expected. But that went on only for four or five months, to carry him through the summer, the difficult period.

I moved on then to Hamburg, where we had a big office because it was then the leading port of the

European continent. That meant a lot of work for the American consulate general. Because many of the older customs of the 19th century which have now been abandoned had been preserved. No goods could be shipped to the United States, but what I had to sign the outgoing invoice and customs document. I was also given the seamanship work; I had a little office of my own in the basement of the Hamburg American Line building. Every American ship captain who came in had to deposit his papers with me and leave them with me until they were ready to sail. This was a holdover from sailing ship days. The tramp steamers used to hire Americans, then come to Europe and hire cheaper labor. We also screened immigrants, especially from Russia, who had great visa problems. We had at this time no relations with the Soviet government.

> ***Great importance was attached at that time to your own writing ability and style.***

The Day I Almost Resigned

***FSJ**: You were in the Foreign Service for 26 years. Looking back on your career, what did you feel were the high points, and the low points?*

GFK: About a year after I entered the service, I was in Hamburg, I knew German and I began attending courses in literature and other subjects. And I came to the conclusion that I shouldn't have gone directly from Princeton to the Foreign Service, that I should have graduate school training. And I began to feel so strongly about this that I wanted to go home and consult with the department about this. So they let me do this, at my own expense of course, and I went to Washington, and went to see the director of personnel at the department. He was very cold and said, "Is this your decision? All right, then, that's it." He said go up and write your resignation. And

I started upstairs and on the stairs I met Willie Dawson, the old head of the Foreign Service School, and he said, "What are you doing here?" and I told him and he said, "Look, are you sure you want to do this?" He said we are now just putting into operation a system of special training of three years' post-graduate training for men already in the Service, in any of what were regarded as the four exotic languages — Chinese, Japanese, Arabic and Russian. You could have post-graduate training without leaving the Foreign Service, so I did sign up for the Russian. But we had to serve for a year and a half in that field before our academic training even began.

They wanted to make sure that we didn't succumb to the liquor or the women or the wrong things, and that we could be depended upon as serious officers.

So I was then sent as a consular officer for a year or so in the Baltic countries, then as part of the diplomatic staff in Riga, and then returned to Berlin. I was then sent to the University of Berlin, largely because it had the best courses in the world at that time on Russian and Soviet life and economics, and also because they realized I had the linguistic capability in German to go there as a regular student. This was a school set up by Bismarck for German diplomats. So I went there for two years, and at the end of that time FDR decided to recognize Russia.

I happened to be home on leave at the time the agreements with [Soviet Commissar of Foreign Affairs Maxim] Litvinov for the conclusion of relations were completed. And I was introduced to Bill Bullitt, the first man selected to go to Russia as ambassador. Bullitt was delighted and took me along as a personal aide all the way to Russia. He spent only a few days and went back to organize an embassy. But my wife and I were left as the first American diplomatic representatives residing in Russia for some months. All of this, of course, was enormously exciting and interesting. I loved the Russian assignment. We were there at a difficult time, but we were prepared for this. After about four years of service in Russia, I was removed, I think at the insistence of the ambassador that FDR sent to replace Bullitt. Bullitt was a brilliant man; he was explosive and impatient, but he was a man of the world and he knew what he was doing.

Whatever may be the virtues of the Foreign Service, it's part of the vast Washington bureaucracy today, and you can't change that.

But the man sent to replace him was a fraud, a figure in the Democratic Party [Joseph Davies]. He was ... whew! The day he and his wife came, all of us who were Foreign Service officers met in Loy Henderson's flat and asked ourselves if we should all resign, because we, through great devotion and effort, had made our embassy in Moscow, along with the German embassy, the most respected diplomatic mission in town. Diplomats came to us for guidance in understanding Russia. And we felt that this assignment of ambassador showed that the president couldn't have cared less about us. He didn't give a goddamn. He wanted to get kudos for this in the Democratic Party. In his view, the whole mission was expendable for his political purposes at home. I rebelled against this. We considered resigning en masse. I expect that the ambassador knew my feelings. I was soon transferred. I didn't serve there again until '44 when Averell Harriman took me along as counselor of the embassy.

FSJ*: I know you served with and under some impressive people. Are there one or two people who really stand out in your mind?*

GFK: I was very close in my official position to George Marshall when he was Secretary of State. I had the only office adjoining his. If I have any hero, it was George Marshall — a man of a great many qualities, qualities very similar, literally, to those of George Washington. I served with Wilbur Carr briefly in Czechoslovakia, when Czechoslovakia was folding. Carr was a great old standby, an assistant secretary in the Department of State who was really a rock and foundation of the department for many, many years. Of the others, Averell [Harriman] was the hardest, stiffest, most demanding and unbending of my chiefs, but a man of great quality.

FSJ*: You've had a career with several phases — you've been known as a diplomat, a shaper of policy, a writer and scholar. During which period in your career do you feel you made the greatest contribution?*

GFK: Serving in Moscow after the war, in the winter of '46, the ambassador was gone and I was chargé d'affaires. I had written for Harriman three longer articles about how I saw the Soviet Union, coming back after seven years' absence. I handed them to Harriman as my chief, to do what he wanted with them. They were not regular dispatches; they were rather literary papers. They appear as annexes to the first volume of my memoirs. And then I wrote this long telegram, which for some reason struck this very, very responsive bell back in Washington, and it was circulated all around. It was made required reading for officers of the armed services in the Pentagon. [James] Forrestal was then the Secretary of the Navy and was interested. And when I came home from Russia I was assigned as the first civilian deputy commandant of the National War College, in the first year of the college's existence. I had to set up political instruction. And during that time Gen. Marshall came into office as secretary of State, made his trip to Europe and came back extensively worried. He decided to set up a planning unit in the Department of State similar to one that he had had in the War Department.

The modern Foreign Service, to my mind, dates from the immediate aftermath of World War II.

He had very much on his mind the problem of Europe. Something had to be done about Europe and done in a hurry. He could not go through the bureaucracy if he wanted to move quickly. So he said, "I'm going to take you away from the National War College. I want you immediately to set up a small staff in the Department of State." And he gave me the rooms right next to his office. He said, "I want you to tell me, within a matter of two to three weeks at the most, what this government should do about Europe." So not only did I have to find quarters in the department, I had to look around for people. I had no time to go outside the department, so I gathered together a small group of seven or eight from within it. And we threw ourselves into this work, which we completed in the time given and submitted a report to the Secretary. And the significant wording of that whole report appeared unchanged in his Harvard speech and did set in certain very fundamental ways the whole framework of the Marshall Plan. I also wrote the "X" article for *Foreign Affairs* at this time.

The day [the new ambassador] came, all of us who were Foreign Service officers met and asked ourselves if we should resign.

Almost Isolationist

***FSJ**: How do you see the Foreign Service as having changed over the years?*

GFK: Though people talk about the modern Foreign Service having started in 1924, there was, in the present sense of the word, nothing modern about it. It was, in fact, very old-fashioned by modern standards. The modern Foreign Service, to my mind, dates from the immediate aftermath of World War II, and has very little relation to what had been established before the war.

For example, ours was a Service where we were all known to the top people in the department. The under secretary, the assistant secretaries, had participated in examining us, and we were not ciphers for them — we were real people. They followed our careers with interest and read our efficiency reports. They were moved by all this in their promotions and the nature of the assignments they gave us. I don't think that anybody can expect that today. Whatever may be the virtues of the Foreign Service, it's part of the vast Washington bureaucracy today, and you can't change that.

***FSJ**: If you were talking to some bright young people today, college graduates, would you recommend the Foreign Service to them?*

GFK: No. A number of youngsters have come to me to ask my advice about this. What I have said in recent years was: Look, if you are going to regard life in the Foreign Service as a prolongation of your education, as a remarkable and unique opportunity to live in a foreign city with a respectable entree to the whole place, including the government — if you take it that way, then by all means.

But if you're fiercely ambitious, and you want to get ahead, and you're interested in getting promoted before anybody else, then I wouldn't join it. I would have to say also that I've gradually become persuaded that this is not a thing one should join for life. That's for two reasons. First, if one had a wife, she would now want a professional life of her own. But also, the fact that top ranks of the Service are so blocked by White House appointments means that you're apt to be cut off just when you've achieved the peak of your usefulness to the government.

***FSJ**: You are identified as a scholar and a writer with the realist, as opposed to the idealist, school of foreign affairs. We seem to be moving further away from that in the current period — getting more idealistic, perhaps more altruistic. From the realist perspective, which emphasizes the pursuit of specific American interests in the conduct of foreign policy, it's difficult to understand what the American interest in Somalia or Bosnia might be.*

GFK: This is difficult to say in a few words. I feel that we are greatly overextended. We claim to be able to do more than we really can do for other people. We should limit our contributions, and let others take the initiative. I'm close to the isolationists, but not entirely, because I've always recognized that those alliances to which we belong and which the Senate has approved as provided for by the Constitution, we must remain faithful to those. That includes the original NATO alliance, our alliance with Japan. Our complicated relations with Latin America contain elements of long-term assurances, in the Monroe Doctrine sense. Beyond that, when other countries come to us asking for help, we should ask, "Why do you need it?" and "Why should we provide it?"

Within our time, I don't think that democracy is going to be the universal form of government. I'm very hesitant about our pushing democracy and human rights on other countries, whose democracy in any case would be rather different from our own. We can't ask other countries to be clones of America. ■

GEORGE KENNAN: A LIFE IN THE FOREIGN SERVICE

GEORGE KENNAN'S CAREER SPANNED ONLY A QUARTER-CENTURY. YET HIS NAME REMAINS INEXTRICABLY LINKED TO THE CREATIVE BURST OF POLICY-MAKING DURING THE TRUMAN ADMINISTRATION.

BY WILSON D. MISCAMBLE, C.S.C.

George F. Kennan must surely be numbered among the most notable members of the Foreign Service of the United States. His reputation and significance derive primarily from his service as director of the Policy Planning Staff in the State Department from 1947 to 1949. His role there in formulating the so-called containment doctrine led no less an observer than Henry Kissinger to suggest that Kennan "came as close to authoring the diplomatic doctrine of his era as any diplomat in our history."

Whatever the merits of this assessment — it warrants some examination and revision — it certainly is widely shared. Kennan has been variously dubbed "the architect of containment," "the great theorist of containment," and "the founding father of containment." His name remains inextricably linked to the enormously creative burst of policy-making during the Truman administration that set the main lines of American foreign policy for over a generation.

Few predicted a career as a diplomat for the lonely, awkward and diffident boy who grew up in Milwaukee in the first decade of the twentieth century. Kennan's education, first at St. John's Military Academy and then at Princeton, hardly prepared him for this demanding occupation. He left Princeton in 1925 after four undistinguished years of study without any well-formed sense of his calling. Nonetheless, he decided to try for the newly formed Foreign Service and, somewhat to his surprise, he passed the qualifying examination. Over a quarter-century of service as a diplomat lay ahead.

Few diplomats rise in meteoric fashion and Kennan was not numbered among the chosen few. He had a long road to travel before he would exert real influence over policy. Beginning in the fall of 1926 he studied for seven months at the Foreign Service School in Washington, before setting off to serve in the lowly post of vice consul, first in Geneva and then in Hamburg. He settled reasonably adeptly into the role and persona of the diplomat, writing home to his father that he "welcomed the opportunity to assume a new personality behind which the old introverted one could retire."

In 1928 the young diplomat gained selection for a training program for language specialists that gave him three years of graduate study in Europe while remaining in the Foreign Service. Of course, he chose to study Russian, influenced by the example of his grandfather's cousin and his own namesake, who had explored Siberia and written an acclaimed account of the Czarist prison system in the late 19th century.

Kennan began his study of Russian language, literature, history and culture while serving briefly as vice consul in Tallinn in Estonia and as Third Secretary in Riga, Latvia. From 1929 to 1931 he pursued formal studies at the University of Berlin and then returned as third secretary to the Russian Section of the legation in Riga where the United States, in the absence of formal diplomatic relations with the Soviet Union, kept a wary watch on the activities of Stalin and his associates. From this vantage point Kennan handled reportage on Soviet economic affairs from 1931 to 1933 and, as he later put it with understated precision, "grew to mature interest in Russian affairs."

Kennan had a long road to travel before exerting real influence over policy.

A Lasting View of the Soviet Union

When Franklin Roosevelt recognized the Soviet Union late in 1933, Kennan fortuitously was in Washington on leave and was recruited by the dashing William Bullitt, whom FDR had named ambassador to Moscow, to accompany him to establish the embassy. He served in Moscow until the summer of 1937 and here at close range, more so than in Riga, he formed lasting views of the Soviets and their system. It was not a pretty picture and the young diplomat had no inclination to disguise Soviet tyranny and barbarism. He never succumbed to any temptation to gloss over the horror and brutality of Stalin's regime.

A decade after his first stint in Moscow, Kennan wrote Dean Acheson that "whoever, peering from the comfortable distance of the bourgeois-liberal world, views Stalin as just another successful political leader pushing his people firmly but roughly along the approved path of history, has failed to grasp the cataclysmic horror of modern totalitarianism." He explained that Stalin had succeeded "in proving that man's degradation can be just as effectively 'organized' as his dignity; that contempt for the human individual can be made an acceptable and practicable basis for government; and that — whether or not it is possible to create a Heaven on earth — it is definitely possible and even profitable to create a Purgatory and a Hell."

Of course, Kennan held Joseph E. Davies, Bullitt's successor as ambassador and a Sovietophile of sorts, in contempt for his efforts to explain away the Great Purge trials and other dastardly aspects of Stalin's rule. But Kennan's voice carried no weight at this point, and Davies recommended that he be transferred from Moscow for "his health." So 1938 found him back in Washington assigned to the Russian desk in the State Department. This was his first Washington assignment and it did not last long. He soon returned to Europe, taking up a posting in Prague on Sept. 29, 1938 — the very day of the Munich Conference.

Kennan's reputation in the Foreign Service slowly grew, and his service in Prague enhanced it. He had strong views on the role of the Foreign Service officer and he strove to live up to his own standards. He had contempt for the effete, prissy and overly social dimension of much of what passed for diplomacy in Europe. In a letter to his friend Charles Thayer he set forth a vision for a Foreign Service corps "who will be scholars as well as gentlemen, [and] who will be able to wield the pen as skillfully as the tea-cup." Kennan reported extensively from Prague, but few read what he wrote. The sense of being ignored gnawed deep into his sensitive personality but it did not dissuade him from offering his views in long memorandums. More would follow and these eventually would be read, but his hour had yet to come.

With the outbreak of war in Europe in September 1939, Kennan was transferred to the American embassy in Berlin where, now first secretary, he served as administrative officer until the attack on Pearl Harbor and the German declaration of war against the United States a few days later. He was taken into custody, along with his embassy staff, and interned for five months. Upon his release Kennan served first, during

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1942-1943, in Lisbon as counselor and chargé d'affaires and next, during 1943-1944, in London as counselor to the European Advisory Commission. In each position he demonstrated notable initiative and a deepening sense that he, more so than those formally charged with the responsibility, knew the correct course for American diplomacy. He seized with alacrity what few opportunities passed his way but more generally he felt ignored and on the periphery.

Kennan's sense of being ignored continued even after his return to Moscow in July 1944 as Ambassador Averell Harriman's deputy chief of mission. The ambassador relied most heavily on his military staff and accorded Kennan no important place. Nonetheless, the new deputy relentlessly offered his views to his chief and through him to Washington officialdom. Through late 1944 and into 1945 he sustained a lonely campaign to convince policy-makers to abandon the chimera of postwar collaboration with the Soviets and to adopt a sphere-of-influence approach to European issues which, he hoped, would limit the outward thrust of Soviet power. The Soviet domination of Eastern and Southeastern Europe should be acknowledged, he argued, while the Western powers established a Western European federation capable of restricting Soviet influence and power. These views had no impact and, much to his annoyance, Kennan observed the Yalta and Potsdam conferences from Moscow.

The Long Telegram

By 1946 Kennan had had enough. Disillusioned and despondent, he seriously contemplated resigning from the Foreign Service. Of course, he never submitted his resignation. The reason for this owed to developments instigated by a departmental request in early February 1946 for an explanation of recent Soviet behavior manifested, in particular, by the so-called election speeches of Stalin and his associates, and by the dispute over the Azerbaijan region of Iran. At long last his opinion was being sought out and he decided to make the most of it. Kennan's response, commonly known as the Long Telegram, traced the basic features, background, and prospects of Soviet foreign policy and the implications for American policy. For him the motivation for Soviet policy lay in the Kremlin's need to justify its rule. Marxist dogma provided a cover for tyranny. Stalin needed an enemy to justify his rule. But, Kennan explained, Soviet power was "neither schematic nor adventuristic" and was adverse to unnecessary risks. "Impervious to the logic of reason," he noted, "it is highly sensitive to the logic of force." He asserted that Soviet power usually withdrew upon encountering strong resistance. The implications for American policy were obvious.

The Long Telegram undoubtedly had an impact on the thinking of senior policy-makers in Washington. Kennan's message helped construct the intellectual supports for the already-developing disposition of firmness toward the Soviet Union. Yet it in no sense put an end to the floundering in American policy formulation during 1946. Drift and indecision and, as one historian has put it, "waffling between confrontation and collaboration" still characterized Truman's approach. The Long Telegram, however, had one tangible effect. With the receipt of the message in Washington, Kennan's "official loneliness" came to an end. As a consequence of it, he later correctly recorded, his "reputation was made," and his "voice now carried." He was soon recalled to Washington and appointed in mid-April as deputy for foreign affairs in the recently established National War College. There he lectured on geopolitics and strategy to high-ranking military officers, Foreign Service officers, and an occasional cabinet member, particularly Navy Secretary James Forrestal.

His time at the War College permitted him to hone his analysis of Soviet foreign policy, of the world situation in general, and of the needed American response. Early in 1947 he outlined his analysis and recommendations regarding the problem of meeting the Kremlin in international affairs. Using the language that long would come to be associated with his name, he argued that the "inherent expansive tendencies [of the Soviet Union] must be firmly contained at all times by counterpressure which makes it constantly evident that attempts to break through this containment would be detrimental to Soviet interests." Here he introduced the word and developed the concept of containment. But notably, his formulation — like his recommendations in the Long Telegram — failed to highlight his preference for nonmilitary measures and, in fact, implied the use of military force, if need be, to implement the policy.

This is also true of a paper titled "The Psychological

Background of Soviet Foreign Policy," which he wrote at the specific request of James Forrestal in late January 1947. Drafted in his northwest corner office of Theodore Roosevelt Hall at the War College, this essay — the most famous of all his writings — later was published as "The Sources of Soviet Conduct" in the July 1947 issue of *Foreign Affairs* under the authorship of "X." The article informed the readers of that influential quarterly that "the main element of any United States policy toward the Soviet Union must be that of a long-term, patient but firm and vigilant containment of Russian expansive tendencies." In the Kennan analysis, "Soviet pressure against the free institutions of the Western world is something that can be contained by the adroit and vigilant application of counterforce at a series of constantly shifting geographical and political points."

With this article, Kennan was accorded authorship of the containment doctrine and his notoriety established. But it must be made crystal clear that Kennan never had an equivalent of copyright over the notion of containment. Containment, as expressed in the "X" article, represented no more than a broad approach. It was not a detailed prescription for policy. It did not outline at any length what the United States should do. The temptation to characterize Kennan as a Moses-type figure descending to give the law of containment over to a disoriented group of American policy-makers should be resisted. Others would play a role in defining and enfleshing containment, and the doctrine would come to be understood only in light of these actions. This process had

When Franklin Roosevelt recognized the Soviet Union late in 1933, Kennan fortuitously was in Washington on leave.

begun before Mr. "X" became known to the readers of *Foreign Affairs*.

Well before "The Sources of Soviet Conduct" appeared in print, containment — as most people eventually came to understand it — received notable application, first in Iran in 1946 and then in Greece and Turkey early in 1947. In the latter instance, Kennan played a tangential role and unsuccessfully objected to the sweeping language of the message drafted for President Truman to deliver to Congress on March 12, 1947, as well as to some of the specific actions it proposed. In *The Fifteen Weeks*, a standard account of the Truman Doctrine and Marshall Plan, Joseph Jones wryly noted the irony of Kennan, considered "the mastermind of the policy of containment," objecting to what appeared to be a major manifestation of that approach.

A New Planning Unit

As Truman spoke in Washington, his Secretary of State, George C. Marshall, engaged in difficult negotiations with the Soviet Union at the Moscow Council of Foreign Ministers meeting. There, Marshall determined that "the Soviets were doing everything possible to achieve a complete breakdown in Europe." He perceived that the Soviet Union was not content to consolidate its East European empire but hoped to take advantage of the dislocation and desperation of Western Europe. On April 28, 1947, Marshall arrived back in Washington. The very next day he called Kennan to his office and instructed him to return to the State Department immediately to establish a new planning unit, the Policy Planning Staff. Referring to the deplorable state of Europe, he directed Kennan and the staff, which was still to be assembled, to address this problem and to make recommendations within two weeks. To Kennan's entreaty for more guidance he advised in distinctive fashion: "Avoid trivia. "

George Kennan relished the challenge that his move to the center of policy-making presented. He approached his new work gravely: one senses that he

The young diplomat never glossed over the horror and brutality of Stalin's regime.

felt that fate had laid hands upon him and ordained him to formulate a proper American response to the Soviet challenge. Self-confident and independent in his judgments, he could argue them persuasively both orally and on paper. He quickly assembled a small team, obtained some office space next to Sec. Marshall's suite and got down to business. Then followed three years when he participated in the debates over most of the key issues in American foreign policy. His service coincided with an enormously formative period in American diplomacy as the United States worked to restore and secure Western Europe and to pursue stability in East Asia.

During this period the policies that gave form and meaning to the containment doctrine emerged. Kennan contributed significantly to some of them while finding himself quite opposed to others. He did not play the role of a dominant, powerful architect whose planning provided instructions for building the whole structure of foreign policy. Rather, he served as one of a number of on-site builders who contributed in important ways to the structure that eventually emerged. These builders — the policy-making core of the State Department — operated, in essence, without agreed architectural plans. They debated and then determined the nature and shape of the structure as they went along.

This said, Kennan's accomplishments in the actual making of foreign policy are striking. There is no second-level State Department official in the 20th century who could match the breadth of his contributions. Kennan first displayed his skill as a hands-on policymaker with his work on the European Recovery Program, and he deserves an honored place among the team of midwives who successfully delivered the Marshall Plan. Kennan played a particularly crucial role in coordinating the various ideas current in the State Department into a coherent proposal, and he was most responsible for the initial American strategy of encouraging the Europeans, acting jointly, to formulate a recovery proposal for American consideration.

Kennan's work on the ERP won him Marshall's respect and regard. Not one to dispense praise liberally, Marshall wrote Kennan in light of his efforts during 1947 that, "I just want you to know in a rather formal manner how much I appreciate the splendid work you have been doing here in the department. Your calm and analytical approach to our problems is most comforting and your judgment is a source of great confidence to me." Such appreciation was pure balm for Kennan, who held his chief in the highest regard. He left no stone unturned in his efforts to serve him and considered his work with Marshall as "the greatest of privileges" of his government career.

A Decisive First Step

For Kennan, the Marshall Plan was the decisive first step in establishing a political balance of power in Western Europe. The essentially political/economic nature of the ERP represented the kind of containment he favored. He was much less enthused about the more military expressions of containment that some of his colleagues, along with European statesmen like Ernest Bevin, pushed in 1948. He worried that a preoccupation with military affairs worked "to the detriment of economic recovery and of the necessity for seeking a peaceful solution to Europe's difficulties." In fact, Kennan explicitly opposed the development of the North Atlantic Alliance, and he saw the development of a separate West German state as wrong-headed and fraught with danger. He feared that such policies "would amount to a final militarization of the present dividing-line through Europe."

Obviously he lost out in the arguments on these initiatives, which essentially defined postwar Europe, to departmental colleagues like John D. Hickerson, Theodore Achilles and Robert Murphy. The negotiation of the North Atlantic Treaty represented a clear rejection of his strategic vision, which had focused on encouraging the Europeans to stand on their own feet. More fundamentally, Secretary of State Dean Acheson's decision in 1949 to eschew the Kennan-sponsored efforts for German reunification, to press ahead with the formal partition of Germany and to accept the requisite division of Europe revealed the planning chief's failure to secure the adoption of his broad plan.

Kennan's endeavors in Europe foundered ultimately because he could not persuade his superiors and colleagues that the Soviet threat was limited and essentially political. Kennan based his analysis on an assessment of Soviet intentions rather than capabilities. His fellow policy-makers found it unpersuasive, especially after the Soviets exploded an atomic weapon in 1949. They were not prepared to run the risk of being wrong and would not ignore the Soviet threat. This reality guaranteed Kennan's defeat not only on the North Atlantic Treaty and German questions but also on other military-related issues, such as the Japanese security treaty and the development of the hydrogen bomb, which he also opposed. The adoption of NSC 68, crafted by Kennan's successor Paul Nitze in 1950, served to formalize the firm rejection of the Kennan strategy.

The rejection of Kennan's more political-economic approach to containment in Europe did not mean that he lost out in all the policy debates — indeed, far from it. Kennan played the key role in forging American policy in response to Tito's break with Stalin in 1948. He helped chart a cautious middle path for the United States between an overly eager embrace of the communist leader who rejected Stalin's control and a cold rejection which might damage prospects for the "Titoism" he wanted to encourage throughout the Soviet satellite area. Eager to contest Soviet domination of Eastern Europe, Kennan played a significant role in devising new and controversial weapons for the American diplomatic arsenal. He helped in developing the covert capabilities of the CIA's Office of Policy Coordination under Frank Wisner. Along with his close aide and friend Robert Joyce, he even contributed to the planning of certain of the OPC operations undertaken behind the Iron Curtain. He also played an important role in developing instruments of propaganda, among which Radio Liberty and Radio Free Europe were the most significant.

Additionally, Kennan had a most salient impact on the formulation of American policy toward Northeast Asia. He helped establish the quite basic premise of

Japan's greater strategic importance relative to China in the region, and ensured that the United States government operated from that premise. He also influenced policy toward both Japan and China. On China, Kennan, with the notable assistance of John Paton Davies, took a leading part in developing the policy of limited assistance without deep involvement which led to the China Aid Act of 1948. He constantly and successfully opposed efforts to involve the United States more deeply on the side of the Nationalist Chinese. In terms of policy toward Japan, both as implemented and as formally enunciated, Kennan's contribution was decisive. He stood at the center of those who executed the "reverse course," which redirected occupation policies toward economic recovery and away from political reform measures. The extent of Kennan's influence on American policies in Asia suggests that his impact there may well have exceeded his influence on American policy in Europe.

Kennan had strong views on the role of the Foreign Service officer and strove to live up to his own standards.

Growing Frustration

Whatever the specifics of the debit and credit sides of the Kennan balance sheet on policy formulation, there can be no questioning his central place in the making of American foreign policy during his tenure as director of the Policy Planning Staff. Aside from the president and the respective secretaries and under secretaries of State, he was the one official who addressed the whole range of foreign policy concerns during that period. Through his concurrent responsibilities as director of policy planning and as the State Department consultant to the National Security Council, Kennan found himself at the vortex of the policy-making process. He relished his responsibilities. His notable impact rested on the depth and force of his analyses and recommendations, on the reputation he and his staff earned by their initial success with the Marshall Plan, and on the access afforded him by Secretaries of State Marshall and Acheson.

Kennan's defeats in 1949 on such policy issues as the division of Germany and the decision to proceed with H-bomb research, however, combined to leave this sensitive and emotional man feeling frustrated and pessimistic. His opposition to nuclear weapons was deeply felt and passionately expressed, but he could not convince Acheson, who rejected his proposals for international control of atomic energy. The Secretary of State later claimed that he told Kennan that, "if that was his view he ought to resign from the Foreign Service and go out and preach his Quaker gospel but not push it within the department." However, as with much Acheson later claimed to have said to and about Kennan, there is not the slightest evidence to support his recollection.

Nonetheless, the planning chief increasingly sensed a real change in the importance given his counsel after Acheson replaced Marshall. He suspected that Acheson valued him more as an in-house dissenter and intellectual gadfly, but he did not possess the temperament to play these roles on a permanent basis. He wanted to influence policy and his growing inability to do so troubled him both professionally, because he believed the wrong course was being charted, and personally, because he was denied the rich satisfaction of having his advice accepted and implemented. He once explained to Joseph Alsop that "the policy recommendations of an official like himself, with long expert training, should be treated like the diagnosis and prescriptions of a doctor." And Kennan preferred patients, so to speak, who did not seek second opinions. He simply found it difficult to accept that his Planning Staff would not function "as the ideological inspirer and coordinator of policy." His disillusionment mounted as he realized that Acheson considered him just another policy adviser, albeit an important one.

Kennan decided to resign but Acheson persuaded him not to leave government service entirely, offering him the alternative of a "leave of absence without pay" after which he would return to the department. Kennan accepted the offer and it was arranged that he would resign as Planning Staff director on Dec. 31, 1949, and stay on as counselor in the department until June 1950, whereupon he would take a one-year leave. Both Acheson and Kennan accepted that his leave would be temporary and began to refer to it as a sabbatical.

Kennan became more convinced that he, more so than those formally charged with the responsibility, knew the correct course for American diplomacy.

Kennan's departure was delayed by the outbreak of the Korean War. He stayed to assist as best he could and worked to establish as formal American policy the goal of simply repelling the North Koreans from the South and restoring the status quo ante. But the weight of military realities and mounting domestic political pressures led to the rejection of this position and to the decision to cross the 38th parallel once Gen. Douglas MacArthur routed the North Koreans after his Inchon invasion.

A Painful Reality

By the time MacArthur's forces crossed into North Korea, Kennan had made his way to Princeton's Institute for Advanced Study. During his leave year he accepted the University of Chicago's invitation to deliver the Walgreen Lectures. His incisive lectures quickly established him as a major spokesman for the realist school in American foreign relations. Published as

American Diplomacy, 1900-1950, they tellingly critiqued "the legalistic-moralistic approach to international problems," which he argued ran "like a red skein through [the] foreign policy of the last 50 years." This book made Kennan's name familiar to a generation of students of international relations, but there remained only one audience that he really desired to influence — the makers of American foreign policy. Sadly for him, however, his direct and influential involvement in the making of foreign policy largely ended with his contributions to American policy in Korea.

This painful reality was not yet clear to Kennan late in 1951 when he returned to the State Department and accepted Acheson's invitation to serve as ambassador in Moscow, however. He eagerly accepted the task which was, he later remarked, one "for which my whole career had prepared me." He arrived in Moscow in May 1952 at a time when U.S.-Soviet relations had reached their nadir, yet he still harbored some hopes that he could make a breakthrough and engage the Soviet leadership in genuine discussions. He was soon disillusioned as he experienced nothing but diplomatic isolation. The KGB controlled all his movements beyond the embassy and denied him any contact with the Soviet citizenry. He lived as if afflicted with "some sort of plague." The pressure mounted, and Kennan's frustration prompted an outburst in which he publicly compared the experience of living in Moscow to his experience as an internee in Nazi Germany. It was, he later commented, "an extremely foolish thing for me to have said." It led to his being criticized by Foreign Service colleagues as "an indifferent diplomat." The Soviet government protested his comments, declared him persona non grata and demanded his recall. Acheson was forced to comply.

Despite the disastrous end to his brief and unhappy assignment in Moscow, Kennan made no plans to retire from the Foreign Service. He wanted to stay on at least until he could retire on a pension, and he indicated his willingness to serve "wherever the government wishes me to serve." Acheson made no decision on the matter before the year's end and consigned Kennan's future into the hands of John Foster Dulles, who succeeded him as Secretary of State when the Eisenhower administration took office in January 1953. When Kennan finally got through in March to see the new Secretary, he learned that there was no "niche" for him in the department. Dulles explained that Kennan was tainted by his association with containment. He needed to serve out the required three months and retire from the Foreign Service. For all intents and purposes Dulles fired him. Allen Dulles tried to recruit the man his brother had dismissed for the CIA, which he now directed, but Kennan turned him down. Instead, he waited out the three months and on a pleasant June day in 1953 quietly left the State Department and drove off to his farm in Pennsylvania.

Continuing Service

Kennan did not drive off into some sunset of anonymity, however. He participated, at President Eisenhower's request, in a top-secret review of national security policy, which came to be known as Operation Solarium. There he defended the Truman strategy of containment against other proposals for nuclear deterrence and for liberation or rollback. But when this exercise was completed he returned again to his treasured farm. Eventually he decided to return to the Institute for Advanced Study at Princeton, where director Robert Oppenheimer made him welcome. At the Institute he pursued a distinguished career as a diplomatic historian during the subsequent decades.

The life of a pure academic failed to satisfy him fully. His various external involvements and commitments prevented him simply withdrawing completely into some mythical ivory tower. Significantly, he behaved more honorably and courageously than most of his contemporaries as he attempted to blunt the ravages of the McCarthyite scourge upon the State Department, although his forthright efforts in support of John Paton Davies failed to produce their desired result. The Republican exploitation of McCarthy's actions developed in Kennan a partisan edge. He gave advice on foreign policy matters to Adlai Stevenson, whom he found an attractive figure. He continued to write and speak on contemporary foreign policy issues as he did in the BBC's Reith Lectures in 1957, which sparked a celebrated dispute between him and Acheson over the issue of German reunification, a matter which they had first debated a decade earlier.

When John F. Kennedy was elected, Kennan hoped for a significant appointment. This was not forthcoming, although the new president offered him a choice between the ambassadorships to Poland and Yugoslavia. Kennan selected the latter. His service in Belgrade provided him with some satisfaction in a personal sense, but little professional fulfillment. Within seven months of his arrival in Belgrade he wrote home to Robert Oppenheimer that he felt "no very stirring sense of usefulness at this point." Ultimately, he proved unable merely to represent policy formulated by others, and decided to resign in 1963. Although he possessed long training in the Foreign Service, he could not content himself with a diplomat's role. His experience from 1947 to 1950 had cast an indelible stamp upon him. He had hoped once again to play an important role as a policy-maker, but as he returned to Princeton after his service in Yugoslavia, he sensed that his chance to participate directly in the making of his nation's foreign policy had ended. And he was right.

The Long Telegram brought Kennan's "official loneliness" to an end.

Kennan continued to engage in commentary on foreign policy matters from that time right through to the century's end. Indeed, his public prominence remained high as a stream of additional books and articles flowed from his eloquent pen. His role, however, was limited to that of a sage trying to influence elite and public opinion and thereby to exercise some indirect impact upon policy. In this role he dissented thoughtfully on the painfully divisive question of American participation in the Vietnam conflict; he offered constructively critical support to the Nixon-Kissinger policy of détente with its prospects for improved U.S.-Soviet relations; and he passionately opposed the nuclear arms race that characterized the late Carter and early Reagan presidencies. Additionally, Kennan turned his attention to a wide array of other issues: the student movement of the Sixties, civil rights, the environment, immigration policy, and other threads of the social fabric of America. His views were occasionally outrageous, usually insightful, and invariably interesting.

This remarkable diplomat, scholar and man of letters retained his intellectual acuity and his willingness to engage in public debate throughout his nineties. He lived to see the collapse of the Soviet Union and the end of the Cold War, and characteristically aimed to influence the role the United States should play in the new world circumstances. He objected to plans for NATO expansion and to what he saw as exploitation of Russian weakness. He expressed serious reservations about U.S. interventions in places like Somalia, Bosnia and Kosovo, regardless of their humanitarian purpose. And in his 98th year, a still intellectually vigorous Kennan criticized the Bush administration's national security doctrine, objecting to American military action against Iraq. His long-expressed reservations regarding American over-extension and excessive reliance on military force proved remarkably consistent whatever the changed geopolitical circumstances of the new century.

Kennan's long-expressed reservations regarding American over-extension and excessive reliance on military force are still well worth considering.

When Kennan left the directorship of the Policy Planning Staff at the end of 1949, Joseph Alsop described him aptly as a "brilliant, disinterested and courageous public servant in action." This assessment stands the test of time. A determined and principled official, Kennan is a man of estimable character. One can only hope that present and future makers of foreign policy might share something of his integrity and intelligence. ■

GEORGE KENNAN: A WITNESS TO HISTORY

IN THE HALF-CENTURY SINCE HE LEFT THE FOREIGN SERVICE, GEORGE KENNAN HAS CONTINUED TO CONTRIBUTE TO THE THEORY AND PRACTICE OF DIPLOMACY IN NUMEROUS WAYS.

BY WILLIAM H. LEWIS

In his journals and diaries, George Kennan portrayed himself as a man in search of the "inner meaning" of the events and forces that shaped American and Soviet policies in the wake of the Second World War. He did so in his multiple roles as senior State Department policy planner for a beleaguered American president prior to and immediately after the outbreak of the Korean War, as an academic historian seeking to investigate Russian national character and Soviet political ambitions in Europe, and as a critic of American strategies adopted to confront the Soviet challenge to Western values and institutions. Throughout the six decades of his distinguished career, Kennan repeatedly emphasized the importance of "touch and feel" for understanding historic forces, as well as intellectual rigor for purposes of analysis. He unfailingly met these standards, occasionally to the dismay of colleagues whose policy initiatives he criticized.

Ambassador Kennan departed government service in August 1950. (He would return briefly to head the U.S. embassies in Moscow and Belgrade.) He left with a sense of foreboding about the menace of McCarthyism and "the utter confusion that existed in the public mind with respect to U.S. foreign policy." Kennan captured this sentiment in a melancholy diary passage (*Memoirs, 1925-1950*) in which he worried: "(Never before) has there been such utter confusion in the public mind with respect to the U.S. foreign policy. The president doesn't understand it; Congress doesn't understand it; nor does the public, nor does the press. They all wander about in a labyrinth of ignorance and error and conjecture."

Academic Immersion

Beset by these dispirited thoughts, Kennan departed Washington to take up an offer by an old friend and confidante, Robert Oppenheimer, to join Princeton's Institute for Advanced Study, the university's set-aside research center. He hoped to be well received by the academic community, which he viewed as a hospitable brotherhood, one characterized by an "integrity of mind" and "modesty of person," as he described it in *American Diplomacy*. Kennan's enthusiasm was reflected in his prolific writings, which included 18 books, innumerable articles, and an array of commentaries on strategy and policy. His commentaries on American diplomacy were adopted as required texts by many U.S. universities offering courses on "international relations."

The ambassador's relocation to the academic community was not an easy passage, however. He was not viewed as a properly credentialed academic by tenured faculties at leading universities, despite his distinguished diplomatic career. He also frequently offered critical evaluations of academic studies that challenged long-held shibboleths of the community into which he had entered.

Not the least of these were his reservations concerning our readiness to embrace messianic notions about this nation's global responsibilities in pursuit of its foreign policy objectives. Throughout his academic career, Kennan most emphatically rejected an image of ourselves as "teachers and redeemers to the rest of humanity," in particular, illusions of "unique and superior virtue on our part." He declaimed eloquently on more than one occasion, as for instance in *Around the Cragged Hill:* "We are, for the love of God, only human beings, the bearers, like our ancestors, of all the human frailties. Divine hands may occasionally reach down to support us in our struggles, as individuals with our divided nature, but no divine hand has ever reached down to make us, as a national community, any more than what we are, or to elevate us in that capacity over the remainder of mankind."

Observing that the American role in policy formulation should be predicated on "modesty and humility," he noted that as a people we have never exhibited an overabundance of either attribute, and urged that we forsake any pretensions at "Manifest International Destiny" in conducting relations with other nations.

Despite his lack of academic credentials, Kennan was frequently invited to participate in seminars and to "perform" as a visiting professor.

Despite his lack of academic credentials, Kennan was frequently invited to participate in seminars and to "perform" as a visiting professor, in which capacity his critical policy observations were welcomed among the "professional" academics.

Kennan, always the master historian, searched widely for the root causes of American exceptionalism. He identified one specific source, Wilsonianism, which inspired the American belief that a messianic role beckoned — to create an international order in which liberal democratic values would prevail. President Franklin Roosevelt's "Four Freedoms" message to Congress in January 1941 was of a similar genre. Throughout his academic involvement, Kennan called for a greater tolerance for differing cultural and political values. The ambassador urged avoidance of paternalism and "the imperialism of our ideas."

In questioning policies infected with self-regarding postures of superiority, Kennan came under public criticism by academic peers. Some held him to be "quirky;" others viewed the ambassador as an incurable romantic opposed to realpolitik principles. Kennan remained steadfast in his views, however. They are reflected in his commentaries in three foreign policy subject areas: (1) the place of military considerations in the shaping of foreign policy; (2) excessive dependence on global legal norms and international conventions; and (3) the basic weaknesses of U.S. policies vis-à-vis the Soviet Union preceding World War II and immediately after. These were not variations on a single theme, but, rather, the unfolding and maturing of perspective by a philosopher-statesman with strong credentials for admission to the community of scholars.

The Rule of Law and the Military

George Kennan drew particular attention to the American fondness for legal principles as a paradigm to guide U.S. policies abroad. Adherence to legal princi-

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He is the author or editor of more than a dozen publications, including Riding the Tiger: The Middle East Challenge After the Cold War *(Westview, 1993) and* The European Union-Maghrebian Dialogues: Echoes of Disappointments Past *(CSIS, 2001).*

The ambassador's relocation to the academic community was not an easy passage.

ples undergirded the notion that the practices of nations should conform to established international legal norms and conventions. "A world of law" should become the idealized state guiding the actions of all members of the international community, and the violations of the rule of law would serve as justification for corrective action by the U.S. and the world community involving the use of military force. Kennan was most vociferous in condemning such assertions. As he put it in *American Diplomacy*:

"The idea of the subordination of a large number of states to an international juridical regime, limiting their possibilities for aggression and injury to other states, implies that these are states like our own, reasonably content with their national borders and status, at least to the extent that they would be willing to refrain from pressing for change without international agreement. … We tend to underestimate the violence of national maladjustments and discontents elsewhere in the world if we think they will always appear to other people as less important than the preservation of the juridical tidiness of international life."

Understandably, Kennan was impatient with officials and media pundits who encouraged the postures of moral superiority vis-à-vis law-breaking states. After all, he argued, there is little in the historical record to suggest that American values and virtues were the result of "acts of immaculate conception."

The trajectory of Kennan's thinking led him to link legalistic approaches to the resolution of international conflict with the perceived importance of military force for problem solving. He acknowledged the role of military force as an important deterrent factor in shaping policy actions, but expressed skepticism about the use of force for compellance purposes. He contended that compellance strategies, once adopted, threatened to undermine the effectiveness of diplomacy as an instrument for peaceful resolution of disputes. In Kennan's view, war (compellance) fought in the name of high moral or legal principle achieves little positive purpose "short of some form of domination." The 1999 NATO aerial campaign against the Serbian government may be illustrative. Intended to end Belgrade's ethnic cleansing of Albanian Kosovars, it soon resulted in Kosovar domination of the residual Serb population in the province, laying the foundation for future Balkans conflict.

As already noted, early in his academic career, Kennan evinced growing reservations concerning the injection of military considerations into the mix of diplomacy and economic assistance programs for national security planning purposes. At the core of Kennan's doubts was his belief that the Cold War was essentially a political struggle, and military imperatives should be regarded as subsidiary. His primary caution was that once released from a subsidiary role, military desiderata would come to dominate policy planning.

In addressing civil wars or insurgencies in the "Third World," the ambassador admonished in *Measures Short of War* that one "could not see how any great nation can make itself the arbiter of civil wars of other countries and come out with a clear pattern." Vietnam proved him prescient. The U.S. learned that the power to destroy is not the power to control, in Southeast Asia at least. In another memorable comment in the same book, he observed: "I personally believe that armed force is a poor weapon with which to meet a political assault. To intervene, you can't make the outcome enduring unless you are prepared to remain in occupation of foreign territories for an indefinite period of time … and in the end it defeats itself."

As the Cold War had begun to wind down, the ambassador argued that the U.S. should begin to withdraw from many of its security commitments and urged that we turn to the United Nations and various regional organizations to assume crisis prevention and peacekeeping responsibilities. In *Around the Cragged Hill*, he pointed to the military arm of the European Union as a suitable replacement for NATO, and called for the withdrawal of all U.S. forces from continental European countries.

Kennan also remained steadfast in his opposition to continued reliance on nuclear weapons after the end of the Cold War, arguing that dependence on conventional force, rather than reliance on weapons of mass destruction, is the better part of wisdom. With the collapse of the Soviet Union, he applauded the deep cuts in the American and Russian nuclear arsenals, but also urged that both governments begin to negotiate accords leading to the elimination of their nuclear holdings.

Kennan saw the Cold War as essentially a political struggle and argued military imperatives should be regarded as subsidiary.

A Russian Studies Legacy

Over the years, his criticism of U.S. national security policy provoked unsettling personal attacks on Kennan by conservative academicians and high-level government officials. It caused him particular dismay to find himself at odds with his revered friend and benefactor, Dean Acheson. Acheson occasionally bridled at Kennan's policy prescriptions from the latter's academic perch, contending that his former colleague was somewhat of a mystic, unwilling to deal with the real world. For example, he sharply disassociated himself from Kennan when the latter proposed in the mid-1950s that American and Soviet troops be withdrawn from Central Europe to ease tensions. Acheson argued that withdrawal would lead to a new wave of American isolationism and a sense of abandonment in Western Europe.

Denounced by some during the Cold War years as a misguided national security affairs intellectual, Kennan received this opprobrium with sang froide. Beyond reproach was the intellectual integrity and analytical rigor that the ambassador brought to his study of communist rule in Russia and the many issues surrounding U.S. relations with Stalin during the Second World War and the years immediately after.

Kennan's study of communist doctrine and the behavior of Soviet leaders made him the doyen of U.S.-Soviet diplomatic history studies. He received acclaim for works such as: *Russia Leaves the War*; *Soviet Foreign Policy;* and *Russia*, *the Atom and the West*. His scholarly efforts were often compared with the earlier works of E. H. Carr, Leonard Shapiro and Franco Venturi. Kennan's eloquence and approach to the subject revealed a level of insight rarely encountered in the field of modern diplomatic history.

His analytical talents were at their most insightful when addressing the contradictions and excesses encountered in communist doctrine and practice. Using as his point of departure Stalin's relations with the U.S. during the war years and shortly thereafter, Kennan traced the origins of Stalin's strategies to the overthrow of the Czarist government in 1917 by a small band of revolutionaries and their struggle to survive counterblows by ancien regime Russian leaders and the capitalist world, including the U.S. The retention of power in the face of implacable foes had two major consequences: the subordination of ideological beliefs to the need for political survival and their expression as abiding, paranoiac beliefs of personal threat. That underlay efforts by the Communist Party to overcome its initial weaknesses through tyranny and a burgeoning state security apparatus.

Thus, as early as 1924, Stalin personally justified the placing of responsibility for "absolute order and stability" in the "organs of suppression." He declared suppression to be warranted as long as there is capitalist intervention. Given the nature of the threat, all internal opposition elements in the Soviet Union would be regarded as reactionary forces antagonistic to communist power.

What, then, were the aims of Stalin and his cohorts during the Second World War and thereafter? In *Measures Short of War*, Kennan concluded that their approach was expedient in nature. Whatever accommodations with the U.S. and other western powers occurred were to be contingent and only to achieve short-term advantage for Moscow. Following the war, Moscow's objectives would remain as before — to undermine rival power centers in Europe and to enhance the Western perception of Moscow as a powerful military and political force. Kennan believed that Stalin intended to achieve these objectives by all means "short of war."

In his review of U.S. wartime policies, Kennan held firmly to the belief that Washington's collective security purposes from 1943-44 onward were misguided. The Yalta and Potsdam accords reflected ill-grounded Western hopes that the Soviet Union would perpetuate the "constructive wartime partnership" by helping to establish representative governments in Eastern Europe, resettle displaced populations, and transform the soon-to-be-formed United Nations into an effective crisis management organization. The ambassador warned that these Western expectations were viewed by Stalin as naïve. Once assured that Soviet overlordship would be imbedded in Eastern Europe, Stalin, Kennan warned, would presumably not experience difficulty in going through whatever motions were required for conformity with these strange Western schemes for "collaboration in the preservation of peace." Prescience was not rewarded, however. As the war came to closure, Kennan found himself painfully at odds with the president's policies, which sought accommodation with Moscow.

The ambassador was later to acknowledge that his unhappiness with policy was too narrowly grounded; that he had not taken fully into account the wartime constraints and exigencies that had confronted President Roosevelt and his immediate advisers.

Kennan was proved correct, however, in his portrayal of communist excesses and in predicting the unraveling of the communist system that these excesses would engender. Distortions in the system would arise, Kennan averred, because of the leadership's refusal to acknowledge policy error or accept the right of opposition outside party ranks. He was among the few to detect growing divergences in outlook and goals between the mass of party members and the "self-perpetuating leadership clique." As he wrote in *American Diplomacy*, "Thus the future of Soviet power may not be by any means as secure as Russian capacity for self-delusion would make it appear to the men in the Kremlin. That they can keep power themselves, they have demonstrated. That they can quietly and easily turn it over to others remains to be proved. Meanwhile, the hardships of their rule and the vicissitudes of international life have taken a heavy toll of the strength and hopes of the great people on whom the power rests."

Kennan anticipated that Russia would endure as a united entity in the post-Cold War era because of the profound influence of the Russian Orthodox Church, the "soul of the Russian peasant and his time-honored culture" and the "pull of Russian attachment to the land." If a middle class were permitted to flourish, he predicted in A*merican Stability*, a spirit of dissent and reasoned discourse would also flourish. As a result, Russia would survive and continue to be a significant factor in the politics of post-Cold War Europe. Kennan urged that when changes in the configuration of internal power in Russia did occur, the U.S. should not be viewed by Russians as blatantly intrusive in their internal affairs or otherwise seeking to take advantage of perceived Russian weaknesses. Later in the same work, he trenchantly observed: "Of one thing we may be sure, no great and enduring change in the spirit and practice of the government of Russia will ever come about primarily through foreign inspiration and advice."

Intellect and Insight

In 1950, some academicians expressed reservations concerning the ability of a seasoned foreign policy practitioner to successfully negotiate the perceived chasm separating him from the world of scholarly endeavor. While recognizing the contributions Kennan had made in the policy arena, the more skeptical noted that he possessed limited familiarity with existing academic precepts and practices. Membership in the senior reaches of tenured professordom, by tradition, could be achieved only through arduous research and successful peer group review of scholarly enterprise.

Over nearly half a century, Kennan confounded the skeptics, utilizing his Russian language skills, wide-ranging contacts with European area specialists and penetrating observations on the nature of Soviet leaders and their basic goals to widen and enliven scholarly debate. In the process, he introduced unique dimensions to the study field, uniting oral history with national character and cultural analysis, fields then in embryonic development. He outclasses many contemporaries in assessing the strengths and weaknesses of existing totalitarian regimes.

However, Kennan was not far removed from academic reproach. It was when offering negative commentaries on U.S. security and foreign policies that he received his sharpest criticism. He was regarded as a contrarian for pointing out weaknesses in the government's apparent failure to meet the ends-means test needed to guide American commitments abroad. He was far from ambivalent about American involvement in the Vietnam conflict; nor was he above criticizing American endeavors in sub-Saharan Africa. However, he manifestly treasured his American roots and the country's democratic traditions. Through the decades, the ambassador has always sought to strengthen and be of service to the country — a desire he captured in his *Memoirs* with the following personal insight: "Like the actor on the stage, I have been able, all of my life, to be of greater usefulness to others by what, seen from a certain emotional distance, I seemed to be than what, seen closely, I really was." But perhaps an epigraph from Arthur Schopenhauer fits Kennan better: "Fame is something that must be won: Honor is something which must not be lost." Kennan has retained a full measure of honor throughout his life.

> ***Kennan has always urged that we forsake any pretensions at "Manifest International Destiny" in conducting relations with other nations.***

Foreign Policy Elite

As to the ability of the American "political classes" to conduct the foreign policies of a "great power aspiring to world leadership," the ambassador had several suggestions. Citing Tocqueville, Kennan predicted an unavoidable clash of competing interests in business groups, minorities, and others that would impede planning and coherent policy implementation. For his efforts, Kennan was accused of supporting elitist influence in shaping American foreign policy. He was later to respond to such charges in *Around the Cragged Hill* as follows: "Let us by all means have an elite. Let it be an elite of service to others, of conscience, of responsibility, of restraint of all that is unworthy in itself, and of resolve to be to others more than one could ever hope to be to one's self."

In such a sentiment, one can detect the predilection of a statesman conscious of the frailties and imperfections of what he came to call "dilettante diplomacy" — a diplomacy too readily influenced by shifting public sentiment.

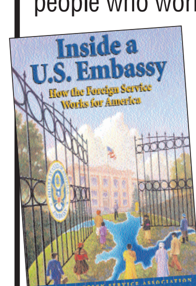
To avoid such pitfalls, Kennan called for the creation of a permanent, non-political advisory body to assist the president and the legislative and executive branches in the formulation of national security and foreign policy. Such a body, which he called "the Council of Questions of Public Policy," would permit the "tapping of the greatest sources of wisdom and experience that the private citizenry of the country can provide."

Needless to say, his proposal was poorly received in academic circles and derided by most government officials. To confirm the wisdom of his basic approach, however, a succession of presidents have turned to ad hoc councils of wise men during periods of high national crisis, most notably during the 1963 Cuban Missile Crisis and the final stages of the Vietnam War.

George Kennan holds himself to a higher standard than most diplomats and academic specialists.

Whatever the skepticism his policy recommendations elicited, honors continued to be bestowed on the ambassador for his contributions in the realm of academic history. He was the recipient of the Pulitzer and Bancroft Prizes for History, a National Book Award, and special recognition for his contributions to literature.

A man of integrity and intellectual rigor, George Kennan holds himself to a higher standard than most diplomats and academic specialists. He profoundly understands Russian society and the Russian people, as he does American culture and its historical roots. Ultimately, he has seen his role as that of a cautionary advocate for policies that will endure over the long term. His admonitions will undoubtedly stand the test of time. ■



George Kennan in the *FSJ*: A Compilation of his Writings

Though varied, the contributions over the years of this scholar and diplomat all feature his characteristically trenchant analysis and passion for the Foreign Service.

By Susan Maitra

Starting with a letter to the editor in 1938, containing an eminently practical proposal to AFSA concerning Foreign Service housing, George Kennan has made many contributions to the *Foreign Service Journal* over the years.

These contributions varied greatly — from an essay, "Russia and the Alaska Purchase," based on documents from the archives of the Tsarist government, to an official report, "The Internment and Repatriation of the American Official Group in Germany, 1941-1942," prepared by then-First Secretary George F. Kennan. They also included several reprints. In June 1953, the *Journal* reprinted "Education for Statesmanship," which had been featured in the *Atlantic Monthly* a month earlier. "The Future of Our Professional Diplomacy," Kennan's commentary on the Wriston Committee's report on the state of the Foreign Service, was reprinted from *Foreign Affairs* in September 1955, along with a response to Kennan by Dr. Wriston.

Starting in August 1963, the *Journal* carried the three-part "World Problems and America's Administrative Response," an article focused on government bureaucracy and the status of foreign policy-making that had been written by Kennan for a scholarly discussion in May 1957. In March 1961, the *Journal* addressed the "fashionable and serious topic" of foreign policy planning at State. The views of those who had directed the Policy Planning Staff until then were featured: Mr. Kennan was first, and, not surprisingly, most succinct.

Here are excerpts from five other articles by Mr. Kennan that appeared in the *Journal*.

May 1947 — University Education and the Foreign Service

While deputy for foreign affairs at the then two-month-old National War College, Career Minister George F. Kennan addressed the Princeton University Bicentennial Conference on University Education and the Public Service. The entire address was published in the Foreign Service Journal. *Here is an excerpt, on the education required for a Foreign Service officer.*

… It is my own belief that full success in Foreign Service, and by that I mean the attainment of really high value to the government, requires an educational background considerably wider than what is afforded by the normal undergraduate training. A successful representative abroad should be not only better educated with respect to the world outside the borders of the United States, but he should also have an exceptional understanding of his own country. He should be better equipped than is the average American college graduate in all those things which contribute to his ability to observe and interpret a foreign environment, in the things that appeal to the eye and ear: architecture, applied arts, industrial processes, methods of agriculture — in all those things, in other words, that make up the outward expressions of custom, tradition and belief.

I have often been appalled and dismayed to see the imperviousness and indifference of young Americans to phenomena of a foreign environment which are new to them and which, as it now seems to me, should set them agog with astonishment and wonder. And what appalls and dismays me most is to reflect that of all the Americans I have known to whom this might be said, I think the worst case I have ever known was myself, as I was when I first went to live abroad some 23 years ago.

Finally, he should have a sufficient experience with real scholarship, in the genuine academic sense, to understand at least the meaning of that concept, and to distinguish an unscholarly and unsound bit of intellectual work from a scholarly and sound one. I personally do not think we can say that average undergraduate training in this country generally satisfies these demands.

It was for this reason that I was one of those who looked with some favor on the scheme of a special Foreign Service Academy along the lines of West Point and Annapolis …

Again, we have the possibilities of in-service training. I am enthusiastic about that program. I think it deserves every support. But I am still inclined to feel that the raw material with which we work in the Service should come to us initially with broader and better intellectual equipment than has been the case in the past. And this, to my mind, means that a larger percentage of our candidates should undergo a year or two of appropriate post-graduate study before coming to the Foreign Service.

Where foreign affairs instruction is not based on realism and where people become carried away with the pleasant sound of their own pleasant words, then I think it can easily degenerate into a pseudo-science.

… In my opinion, the subject of post-graduate study is not really important, providing it affords a genuine intellectual discipline and the appreciation of the meaning of scholarship which I have just mentioned.

Here, of course, we have the question of special instruction in the foreign relations field. This is a very complicated one. There is no simple answer to it. My own feeling is that where such instruction is founded on a fearless realism as to the nature of the world in which we live and particularly the nature and limitations of our own country, and where it is rooted firmly in the basic sciences of which it can, in my opinion, constitute only an eclectic synthesis, then it can be possibly the best preparation a man could have for Foreign Service. But where foreign affairs instruction fails to meet these requirements, where it is not based on realism and where people become carried away with the pleasant sound of their own pleasant words, then I think it can easily degenerate into a pseudo-science, which is of little use to anybody and particularly to us. … What we need most of all is sufficient insight into one field of academic research to enable the man to understand the intertwining and the interdependence of all forms of human learning, to give in this way a universal quality to his curiosity and his interests, and to instill in him a dignified humility before the complexity and profundity of the problems of our time.

October 1951 — How New Are Our Problems?

The first of two articles written for the FSJ *while in Europe, on extended leave from the Department of State.*

… If, then, the newness of our age lies neither in man himself nor in the natural environment with which he is surrounded, where does it lie? I would suggest that it lies in three things: first, in the greater numerousness of the human species; second in the

Susan Maitra is the Journal*'s senior editor.*

tools which man has in his hands for good and evil; and, third, in the changing relationship between man and man, that is, in the requirements for the organization of society implicit in the complicatedness of modern industrial and urban civilization. …

As things stand today, I think we must adjust ourselves to the prospect that a large segment of the world's population, in terms of numbers, is destined to continue to live in a state of bitter competition for possession of inadequate resources; that this is going to continue to produce reactions which will not be happy ones and which are bound to seem unnatural to us and to place limitations on the degree of intimacy that we can hope to achieve between ourselves and themselves. This dilemma is so profound, and exists on so vast a scale, that no one has yet suggested any material answers to it, as far as I know, which are more than the most tentative palliatives. I am not saying that there are no answers, or that the peoples themselves will not find them. But it does not seem to me that we have those answers. And not having them, I think we must be very careful what we say and do, and above all not give the impression that we have the answers.

This is the essence of one of our great problems of foreign affairs, namely our relations with the peoples whose lives are marked by a technical backwardness and a material poverty as striking as our technical advance and our material abundance. We should be extremely careful what we say to the peoples who are materially less well endowed; and should be careful to talk to them in terms of their problems and aspirations — not our own.

The second thing I mentioned as having changed was the nature of the tools in man's hands. … The most important of these … are the ones we call weapons. And you may be surprised to hear me say that I think the most important change has not been in the tools for international war, where the atomic bomb is involved, but in the tools of internal police power: the weapons by which the authority of government can be enforced over its subjects. …

The interest of the United States in international affairs is not a detached interest in our international environment for its own sake.

These changes have done things with respect to international warfare which are also highly significant for our international relations. I suspect that they have increased, temporarily at least, the relative independence and effectiveness of land power over that of sea power. …

Now this fact has a very special importance for the United States. It is not just that it is Russian power which has broken through to the oceans; but it is continental land power, with all that that implies. …

To deal with the collective disciplined power made possible by modern technology and inspired by the older land power habits of thought is a new and baffling experience for this country. We find our noses being rubbed constantly into the dilemma which rises from the fact that he who would cope effectively with modern land power in its totalitarian form must make himself similar to it in many respects. He must learn to regiment his people, to husband his resources, to guard against hostile agents in his midst, to maintain formidable armed forces in peace time, to preserve secrecy about governmental decisions, to wield the weapons of bluff and to wage war in peacetime — and peace in wartime. Can these things be done without the selling of the national soul? History offers us no answer to this question; for here — in the greater expanse of territory controlled by the grim and sullen forces of modern despotism — we have a problem that is really new. …

November 1951 — The National Interest of the United States

The second of the two articles written for the FSJ *while on leave in Europe.*

"National interest" is one of those things that you know must exist but it is too vast, too rich in meaning, too many-sided, for any positive definition. And for that reason, I'm going to ask your indulgence if I try to make it clearer by talking — not about what it is — but about what it is not.

The first would be this: the interest of the United States in international affairs is not a detached interest in our international environment for its own sake, independent of our own aspirations and problems here at home. It does not signify things we would like to see happen in the outside world primarily for the sake of the outside world.

Why is this? It's because we do not live just for our relations with others — just in order to conduct foreign policy. It would be more correct to say that we conduct foreign policy in order to live as a people, joined together in a social compact, for a purpose related primarily to ourselves and not to others.

We should be extremely careful what we say to the peoples who are materially less well endowed; and should be careful to talk to them in terms of their problems and aspirations — not our own.

It is not an expression of national selfishness to say that our first duty, as a nation, is to ourselves. It is an expression of self-respect. A nation which is meeting its own problems, and meeting them honestly and creditably, is not apt to be a problem to its neighbors. And, strangely enough, having figured out what it wants to do about itself, it will find that it has suddenly and mysteriously acquired criteria, which it did not have before, for knowing what to do about its relation with others. …

On every side of us we see the proof of this thesis that our American civilization is still something experimental, unfinished, not fully tested. We see it in our failure to bring our lives into balance with the natural resources of this continent; we see it in our failure, to date, to find a happier and more orderly answer to the problems of labor and wages and prices; we see it in the depressing and flimsy aspect of great portions of our sprawling big cities; we see it in the pathetic shallowness and passiveness of our recreational habits, we see it in our bewilderment as to how to handle the forces which modern technology has released among us — the telephone, the automobile, the television sets, atomic energy.

That being the case, we must preserve a certain modesty about what we conceive to be our role on the stage of international affairs. We have no right to recommend our institutions to others — we have no right to expect others to understand entirely what it is we are doing here in this country; and by the same token — not having yet finally demonstrated to ourselves the permanent validity of our own system — we have no right to be too emphatic or critical in our views about the validity of others. …

I want to hoist my second warning flag. It would be this: the national interest does not consist in abstractions. And we will not get closer to it if we try to think in abstractions.

What do we mean by peace? Is it just an absence of international violence? You can have that sort of peace very easily. All you need is non-resistance. That sort of peace prevails today in the Kremlin's satellite area.

Well, you may say, that's all right; but what we mean is a just peace. That, again, is a fine idea, within limits. But beware of carrying it to extremes. Beware of the assumption that in every one of the quarrels which wrack the lives of other peoples in this world there is always distinguishable some moral issue — that there is always some party which is "right" and another party which is "wrong" by our standards. Too often you will find hatred pitted against hatred, error against error, treachery against treachery. …

Now for the third. National interest is not primarily a question of purpose or objectives. It is a question of method. It is a question of the "how" rather than the "what." This is not to say that we do not have an interest as a nation in what we do and in what results stem from our action; but I would submit that we have a greater interest still in how we do those things we feel we must do.

Remember that none of us can really see very far ahead in this turbulent, changing, kaleidoscopic world of foreign affairs. A study of the great decisions of national policy in the past reveals that too often the motives of national action are ones dictated for government by developments outside of its control. Its freedom of action, in these cases, lies only in the choice of method — in the how rather than the what.

Let no one underestimate the importance in this life of the manner in which a thing is done. …

I would plead, then, for concepts of national interest more modest than those with which we are accustomed to flatter our sensibilities, and for a greater dignity and quietness and self-discipline in the implementation of those concepts. I would plead, particularly at this genuinely crucial moment in American history, for cool nerves and a clear eye, for the husbanding of our strength, and for an iron self-discipline in refusing to be provoked into using that strength where we cannot see some plausible and reasonably promising end to what we are beginning. I would plead for the restoration of a sense of comradeship and tolerance in our public life and public debates, and for a recognition of the fact that Americans may be wrong without being evil, and that those wrong ones may even conceivably be ourselves.

If we can achieve these things we need not be too exacting in our demands for a definition of national interest. We will then have done the best we can do to bring the world closer to that state of understanding, based necessarily more on respect than on intimacy, but fortified by mutual restraint and moderation, and all the more durable and serviceable for its modesty of concept. Therein — not in the world of hatred or of intolerance or of vainglorious pretense — lies the true glory and the true interest of this nation.

May 1961 — Diplomacy As a Profession

From Ambassador Kennan's March 30, 1961, speech to AFSA.

It is not easy for me to tell you with what feelings I find myself again in this company. Twenty-seven years in the American Foreign Service do not come and go without leaving their marks on a person. Of course, this is not the only life one can lead; there are other things you can do, even in the wake of a Foreign Service career, and great satisfaction to be derived from doing them. But an organizational framework which has held you for so many years of your life, and particularly of your youth, never fully loses its claim on your feelings. …

This is, of course, not exactly the same Service that I entered 35 years ago. Great changes have occurred, in spirit and in organization. …

The national interest does not consist in abstractions.

But despite these changes, it seems to me that the basic function of the Foreign Service has remained the same. This is the classic function of diplomacy: to effect the communication between one's own government and other governments or individuals abroad, and to do this with maximum accuracy, imagination, tact, and good sense. Of course, this is not all there is or not all there is on the surface. But at the bottom of almost every fact of Foreign Service work, if you analyze it, you will find, I think, that what is essentially at stake is this process of communication.

People have often alleged that the invention of the telegraph and other technological changes have detracted from the importance of this task — that they have reduced the diplomatist to a glorified messenger boy. This view could not, I think, be more mistaken. The sort of communication which the modern diplomatist is called upon to effect demands from him an independent contribution fully as responsible, and just as replete with possibilities for originality and creativity, as that of any other profession. Any of us who has had so much as a single year in this work has learned, I am sure, the first great lesson it has to teach: and that is, that what is important in the relations between governments is not just, or even predominantly, the "what" but rather the "how" — the approach, the posture, the manner, the style of action. The most brilliant undertaking can be turned into a failure if it is clumsily and tactlessly executed; there are, on the other hand, few blunders which cannot be survived, if not redeemed, when matters are conducted with grace and with feeling. …

There is a special reason, in my mind, why it is important to recognize this connection between diplomacy and the life of the intellect. …

[When I joined the Service] there was still a hangover from the older assumptions of dynastic diplomacy. It was still assumed that what was most importantly involved was to know and understand, in any given country, only a small group of highly placed and influential individuals. It has taken the events of recent decades to teach us that in the modern age diplomacy has a task far wider, more difficult, more challenging than this. The conduct of foreign policy rests today on an exercise in understanding truly staggering in its dimensions — understanding not just of the minds of a few monarchs or prime ministers, but understanding of the minds and emotions and necessities of entire peoples, and not just of a few peoples at that, but of a round hundred of them — peoples in all conceivable stages of progress from the state of primitive man to the greatest complexity of modern industrial society. And what is involved here is the necessity for understanding the lives of these peoples in all their aspects: social, economic, cultural, as well as political. It is this vast work of cognition and analysis in which the Foreign Service officer participates so prominently and responsibly; and it is in this task, commensurate — I repeat — in its demands on the mind with the tasks of academic scholarship and science, that I have personally come to see diplomacy's escape from the triviality and sterility that so recently threatened it, and its elevation to one of the really great and challenging callings of mankind.

One must be able to love the great diversity of nature and of human living — to forget one's self at times, to be curious and detached and observant, to be sensitive to beauty and to tragedy…

On the other hand, inspiring as this task may be, I think we have to recognize that this profession also suffers from certain inevitable and probably incurable handicaps. The first of these is its congenital remoteness from popular understanding. I doubt that this can ever be fully cured. The external needs of a democratic country are always going to be to some extent in conflict with the internal attitudes and aspirations of its people. To most national societies, the world outside is mainly and normally a nuisance: something that impedes and limits the ability of people to live the way they would like to live. And the diplomatist cannot help it: his duty is to reflect the realities of this bothersome outside world, whether his fellow-countrymen like it or not. It is his task, very often, to say the unpleasant things — the things people neither want to hear nor like to believe. …

The second great drawback of foreign service seems to me to be the fact that it so often is, or can so easily become, an unhealthy mode of life — unhealthy in the sheer physical and nervous sense. …

But the question arises: if this is really the nature of our profession — if it is really thus isolated, thus misunderstood, thus unhealthy and dangerous — where does one find the rewards, the satisfactions, the compensations that could make it personally worthwhile? …

To find meaning and satisfaction in this work, one must learn, first of all, to enjoy it as a way of life. One must be able to love the great diversity of nature and of human living — to forget one's self at times, to be curious and detached and observant, to be sensitive to beauty and to tragedy, grateful for the opportunity to see life from many sides, accepting gladly the challenge that the external world presents to the understanding and the capacity for wonder. This is something which the over-ambitious, self-centered man will never be able to do, because he will never be able to see much beyond himself. …

But there is something more, too, something more important still. You must also have, if you are to taste the full satisfactions of this work, a belief in its essential importance and even — if I may use this term — its solemnity.

I don't want to sound corny. Perhaps, for this reason, the less I say about this, the better. But this is, after all, an endangered world, endangered in the grimmest sense of that term: a world endangered by the atom, by the phenomenon of overpopulation, by the lack of uniformity in the economic and social advancement of various branches of the human family, with all the tensions that produces, and finally by the ideological prejudices in the name of which certain great peoples are today ruled. It is to this pattern of dangers that the foreign policies of our country are, in large part, addressed; there is no country whose policies are, from this standpoint, more important; and there is no Foreign Service officer whose work and attitudes do not have something to do with the formulation of these policies.

Unless one realizes these things, unless one cares about them, unless one has a real love of life and a belief that there are things worth living for; unless one trembles occasionally for the civilization to which he belongs; unless one can contrive to see his work as related, however modestly, to the problem of saving this civilization; unless one consents, accordingly, to recognize that there are things at stake in his work vastly more important than the comforts or the financial enrichment or the career advancement of any single individual — unless one can do these things, then, my friends, I can give no assurance whatsoever that the strains and drawbacks of Foreign Service life are ever going to find their compensation.

We took pains to keep the staff small.

Whoever cannot understand that values more important than his own immediate personal interests are involved in the work he performs, and that unless these values are preserved, his own individual life can never attain full richness and meaning, that man does not belong in this profession; for to him it will never reveal its true rewards. …

September 1992 — The *Original* Planning Staff

The end of the Cold War prompted a new look at the policy planning function. Amb. Kennan's incisive portrait of the Policy Planning Staff he established in 1947 led off the Journal*'s discussion.*

The State Department Policy Planning Staff of Secretary of State George Marshall's time, from 1947 to 1948, was very much a unit of his creation. …

There were at that time in the Department of State only three officials charged with the duty and authority of looking at American foreign policy in its entirety … the Secretary himself, the under secretary, and (when there was one, depending on the way in which he was used) the counselor of the department.

This, however, placed a heavy burden on these three officials, the first two in particular. The recommendations reaching their offices from the various geographical and functional divisions were sometimes conflicting. Not only that, but the recommendations normally reflected short-term and parochial views of the problems in question, not fitted into any more long-term and comprehensive concepts of what American policy ought to be. The senior officers of the department were usually too busy to do the spadework in analyzing the conflicts between the views and recommendations of individual subordinate offices. They often needed someone to help them by studying through the matters at hand and suggesting ways in which the conflicts could be resolved. They also needed someone to help them infuse into the work of the individual subordinate offices an understanding of the larger concepts on the basis of which policy was being conducted at the top. And, finally, they needed someone who could examine the day-to-day decisions being taken in the various offices of the department to see how these related to the more long-term interests of the country. …

The staff had the privilege of direct access to the Secretary of State and the under secretary. We did our best to avoid abusing this privilege. In particular, we were concerned at all times not to undercut State's individual geographic and functional offices. We invited them, in every instance that I can recall, to send representatives to join us in the study of each of the questions we took under advisement. Where there were unresolved differences with them, we urged the Secretary and the under secretary to hear their views as well as our own. …

Finally, I might mention that we took pains to keep the staff small. We had a table that seated about 10 people at a maximum, and I can recall saying at the time that, if we ever had more members than could sit around that table, our usefulness would be lost, because we would fall victim to the disease of bureaucracy that affected so much of the remainder of the department. …

When, in 1949, a new under secretary of State, James Webb, decided that the staff should no longer have direct access to himself and the Secretary but that its papers would now require clearance throughout the department before being presented to them, I knew that this was the end of the usefulness of the staff for the purposes Gen. Marshall had intended it to serve. …

If we did not always persuade others of the soundness of our views, we stimulated them to a brand of thinking of which there had previously been very little in the department. We provided a useful link, which had not existed before, between the department and outstanding thinkers on problems of foreign policy outside the governmental establishment. (Gen. Marshall had been particularly insistent that we draw them into our deliberations and tap their wisdom before putting our own recommendations before him.) And, while the example did not last very long at that time, we established the precedent, and made clear the importance, of a sharp delineation between the concept of the national interest in what might be called its pure and unadulterated form, and the necessities of domestic politics. These, in my retrospective judgment, were valuable services, at least with relation to the needs of those crucial immediate postwar years.

We provided a useful link between the department and outstanding thinkers on problems of foreign policy outside the governmental establishment.

Finally, our method of operation, along the lines laid down by Gen. Marshall, served to emphasize and illustrate the need for a central concept of American policy, comprehensive, coherent, and consistently pursued, to replace the helter-skelter multiplicity of uncoordinated concepts and impulses, arising from within the Department of State and from other parts of the government, of which America's conduct in foreign affairs is so often the reflection.

I am glad that the experience of the Planning Staff at that time is still being examined and consulted in a different age — an age with quite different but no less grave and fateful problems. ■

A Chat with the Director General: W. Robert Pearson

Amb. W. Robert Pearson believes the Foreign Service needs to develop its most valuable asset — its people — into an institutional capability to meet the many challenges of the post-9/11 environment.

By Steven Alan Honley

Ambassador W. Robert Pearson, a career member of the Senior Foreign Service, class of Career Minister, was confirmed as Director General of the Foreign Service and Director of Human Resources in October 2003, following three years as ambassador to Turkey.

Amb. Pearson has a broad background in European and security issues as well as wide management experience overseas and in Washington. As Deputy Chief of Mission in Embassy Paris from 1997 to 2000, he closely followed the evolution of the European Union and defense and security issues within the Atlantic Alliance and the E.U. He also actively promoted business ties between France and the U.S. and helped in the opening of five new American offices in France's regions.

Because we have been strapped for resources and personnel for so long, we've had to prepare people in the Foreign Service serially.

Before that, he served twice at NATO, from 1993 to 1997 as Deputy Permanent Representative to the U.S. Mission (during the Balkan crisis and NATO's enlargement), and from 1987 to 1990 on the international staff as chair of NATO's Political Committee.

From 1985 to 1987, he served as Deputy Executive Secretary of the National Security Council, and was Executive Secretary of the Department of State from 1991 to 1993. He also served in Beijing as a political officer from 1981-1983, was staff assistant in the East Asia and Pacific Affairs Bureau, and began his Foreign Service career with a two-year assignment in Auckland.

Prior to joining the Foreign Service, Amb. Pearson graduated from the University of Virginia Law School in 1968, and served in the U.S. Navy Judge Advocate General's Corps from 1969 to 1973. He is a member of the International Institute for Strategic Studies in London. He speaks French, Chinese and Turkish. His wife, Margaret, is also a career diplomat. The Pearsons have one son, Matthew.

Foreign Service Journal Editor Steven Alan Honley conducted the following interview in Amb. Pearson's office on Nov. 28, 2003.

FSJ: *What is your vision for the Foreign Service personnel system, Ambassador Pearson?*

W. Robert Pearson: Well, I would begin by saying that my vision draws on ideas and proposals many of us share, so I think I'm saying things that others are saying, too. Thanks to Secretary Powell's initiative, the president's commitment, and Congress's support, we have brought the Foreign Service back to a state of health after many, many years.

FSJ*: You're referring to the Diplomatic Readiness Initiative?*

WRP: Absolutely. And at the same time Iraq, Afghanistan, and other issues present us with as serious an array of problems as we've faced in several decades. I think that we need to take the asset we have — our people — and

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turn that into an institutional capability to meet those challenges by making the most of their talents. That will allow us to respond to future crises, to fill hard-to-fill posts, and to have better training for our personnel. Because we have been strapped for resources and personnel for so long, we've had to prepare people in the Foreign Service serially. You learn a language to go somewhere and do something. Then some other job comes up and you learn the skills to go there and do that. In a university, when you graduate, you're supposed to be capable in both your major and your minor. Why not have people in the Foreign Service, once they have developed areas of emphasis, keep current in those areas throughout the course of their careers? For generalists that might be language study, and for specialists it might be professional training or area studies. The department then would be able to organize a response more quickly and more effectively than it's ever done before.

***FSJ**: You mentioned the idea of having people who keep up their credentials and their current professional knowledge to be able to respond to sudden crises. Is that what you mean by the term "surge capacity?*

WRP: That's part of it. Another part is the key role for FSI, where people are going to receive additional training, particularly professional development. Much of this is really an extension of what the Secretary already has begun with leadership and management courses, and what FSI has done with its language continuum and professional development courses. It would help us to identify ahead of time a larger pool of people who could respond. They would have had the conversations they need to have well ahead of time, and would know they'd be on call. Finally, we'd have less concern about whether some bureaus could give up people so that the crisis-affected bureau could take advantage of their skills.

Thanks to Secretary Powell's initiative, the president's commitment, and Congress's support, we have brought the Foreign Service back to a state of health after many, many years.

***FSJ**: We've touched on languages several times. I understand you have proposed encouraging all personnel to maintain fluency in at least two foreign languages.*

WRP: Yes. The Foreign Affairs Manual only requires fluency in one foreign language. Why not have two? Our people are capable of it. When I came into office, I asked for a random survey of something like 200 to 250 employee records. Of those, 90 percent of the people had served in at least two geographic bureaus. Seventy percent of the public diplomacy officers in the sample were qualified in two languages, as were 60 percent of political officers, nearly 60 percent of the economic officers, 45 percent of the consular officers, and 30 percent of the management officers. It seems to me that we already have a fairly strong foundation and that many of the things that were already being done were going in that direction. So why not let our reach exceed our grasp a little and bring ourselves up to the level of quality response that we're capable of? I've talked to some of my friends who are specialists, and from their standpoint they might prefer more intense professional training over acquiring a second language. All these things would have to be addressed, and I'm not trying to give people the answers as much as to raise the questions. But I think for the future we face, these are the kinds of aspirations that the State Department and the Foreign Service need to have.

***FSJ**: How would you counter the long-standing perception that time spent in language training is not "career-enhancing"?*

WRP: Well, let's see. I had Chinese, French and Turkish, so I would cite myself, and a lot of other people with similar experiences, as evidence to the contrary. It's true that when I came into the Foreign Service I took two years of Chinese early on. Some people told me that it might slow me down in the promotion race. But, in fact, it didn't affect my career progress at all. I also would note that it helped me develop an interest, which I have maintained throughout my career. I think that when people prove during language or other studies at FSI that they are strongly motivated, it shows up in other areas of their lives as well. I think we need to get past the point where training is seen as something different from our careers. Training is actually an essential part of what we should be. And frankly I think that this is going to become more evident for us over time, just as it already has in the armed services and in some of the other agencies operating overseas today.

***FSJ**: How do you plan to work with AFSA in implementing your goals?*

WRP: I already have raised informally some of these goals with AFSA, and I know, as a career-long AFSA member myself, that it is important to reach an agreement with AFSA in order to make things last. AFSA President John Limbert recently has come back from a tour in Iraq, so I think he has a very good understanding of the kinds of demands that are being placed on the Foreign Service and the State Department now and for the future. Without trying to preempt discussions in any way, I look forward to discussing all these issues with him and the AFSA leadership.

***FSJ**: Let's turn to Iraq, then. One of the first trips you made after being confirmed as director general was to Baghdad. How do you assess the Coalition Provisional Authority's use of FS personnel there?*

WRP: Well, in the first month after the war, everything was happening at once. But there was an excellent response from the State Department. When I visited our colleagues there, they were at work in CPA headquarters and in the field. Some of them were embedded with military units doing various kinds of humanitarian assistance and political action. There were a number of untenured officers, including four people on their first tours. And I also should say that they included not only Foreign Service employees but Civil Service employees as well. These were people who responded to the call and were able to do jobs immediately and with considerable versatility. There were political officers doing economic reporting, and economic officers doing essentially political work. There was even one employee who was an Information Resource Management specialist but was refurbishing a building.

What we're looking at now is the next phase, where we're finding people and assigning them more in terms of the skills we need for the longer term and for definitive periods of time: at first six months, subsequently a year, and moving on in an organized way. From talking to Ambassador Bremer and others in Iraq, I think the State team has done a magnificent job. I also might mention Pat Kennedy, a friend and colleague who served in Iraq for many months, who by all accounts has done absolutely splendidly.

The war on terror underscores the need to develop a capability to anticipate and to respond to crises.

***FSJ**: Is the current expectation that an embassy will open in Baghdad sometime in the summer of 2004? Where do preparations for that stand?*

WRP: Well, we're working hard to be able to stand up an embassy on time. That's why we're focusing now on more organized tours of duty, more defined job descriptions and tasks, and getting the personnel in place. I'm happy to say we have a list of about 350 volunteers so far and are finding the people we need to fill the positions. We are adding 117 positions in Iraq to the bid list in January, and I am sure there will be more to come. Our goal there is to mirror the Secretary's commitment to have the right people, trained and supported, on the right tasks.

***FSJ**: That raises a question a lot of people are asking. It sounds like you are operating on the assumption that people will continue to come forward to serve in Iraq. Do you have any sense yet of how many positions you will need when the embassy is officially unveiled?*

WRP: I don't have an exact number now, but we obviously will have the traditional embassy sections and will provide the traditional embassy functions. The embassy also will have extraordinary functions to perform, like economic construction coordination and democratic development. Baghdad probably will be our largest embassy in the Middle East, and we'll have to be prepared to sustain that commitment for a long time to come. So, yes, the short answer is that I think we will have enough people to staff it, but at the same time we recognize that we need to look more generally at how we can build a State Department and Foreign Service that can respond readily and appropriately to crises.

***FSJ**: Given the relative paucity of fluent Arabic-speakers in the Foreign Service, are there any plans to beef up language instruction staffing at FSI?*

WRP: Well, I won't try to answer for FSI, but I believe they are. I do believe it is important to develop an approach that allows us to train for language capability beyond the current system where you can't take a language at FSI unless you have an assigned position. That has held us back in the past, and I think everybody would recognize that it would be a good idea to train people for contingencies. But again, these are just ideas right now; they're not proposals, and they have to be thoroughly vetted with many others, including AFSA.

***FSJ**: How much, and in what ways, has the war on terror changed the Foreign Service?*

WRP: The war on terror definitely has changed things for the Foreign Service. First of all, it underscores the need to develop a capability to anticipate and to respond to crises. NEA has done a splendid job responding to needs for Iraq, but by developing a wider set of resources we'll be able to do an even better job in addressing crises in the future.

Second, I think the way people have been dealing with the danger of living abroad, with the effect that has on families, and with their own professional choices are all very admirable. In fact, I think morale within the Service since Sept. 11, 2001, has actually gone up. People understand that we're facing a serious challenge and they're prepared to respond in a positive way. And I found the same thing to be true in Ankara when I was ambassador there. I think that speaks very highly of the kind of people we have in the State Department as well as in the other agencies represented overseas.

***FSJ**: One longstanding complaint about the open assignments system is the apparent ability of individual bureaus to "wire" assignments, both for active-duty officers and WAE appointments. Do you plan any specific steps to enforce fairness and ensure that when a position is on the bid list, it really is open to all qualified bidders?*

WRP: We have done two or three things that are useful along those lines. We agree that the more transparency there is in the assignment process, the fairer it will be. We asked bureaus to hold off on "handshakes" until all bids were due, and they responded very well. On some occasions we have asked bureaus to go back and get additional candidates for a position when we felt the number of candidates needed to be increased. We've especially tried to ensure that people who are bidding from Iraq, who might not have easy and current access to information, have been able to get their preferences and their discussion points into the process. I think all of us are committed to having a more truly open assignments process, and have made that point clear to the bureaus as well.

Why not let our reach exceed our grasp a little and bring ourselves up to the level of quality response that we're capable of?

***FSJ**: How can HR better enforce fair share bidding to keep so many hardship posts, particularly in Africa, from being filled almost entirely by untenured officers who may not know the bidding process well enough to keep from being sent there?*

WRP: Let me say something about those employees. Often, at least recently, those first- and second-tour employees have been bidding heavily on some of those hardship posts and have been enthusiastically doing so. That's one of the rather remarkably good things about the people we're taking into the Service. We have to remember that a lot of them entered since 9/11 and so they've come in with their eyes open. They understand what the world looks like now, and I think that's very admirable. They also are doing good jobs in these tough posts. And because we have so many relatively junior employees reporting directly to DCMs and ambassadors, we have talked with those ambassadors and DCMs extensively about the kind of mentoring in leadership and professional development that we expect, and they're responding well.

On the fair share concept itself, as you know, for a fair share bidder, three of their six core bids have to be at differential posts, in grade and at cone. We believe in fair share, and we are enforcing it. And this year, we are looking at all the fair share bidders.

I also think that the vast majority of Foreign Service employees support the fair share concept. Finally, if we apply the fair share rule equitably, as we intend to do, then the truly humanitarian cases can be dealt with without confusing them with the core requirement of fair share bidding and fair share assignments.

***FSJ**: Do you support AFSA's ongoing efforts to reduce the low-ranking requirement from 5 percent to 2 percent of all evaluations?*

WRP: AFSA and management both support such a change, and I also understand that some selection boards also have made similar recommendations. So it seems to me that there is a general consensus on that issue.

***FSJ**: AFSA has also pointed out that last year, several individuals were recommended for tenure and low-ranked in the same year. How do you plan to address such anomalies?*

WRP: I agree that is something we ought to look at, and in fact we are planning to take a look at the tenuring system. I believe we can improve on the present process and, more importantly, so do many of my colleagues.

***FSJ**: Might one option be to go back to the old system of having tenuring boards meet full-time instead of part-time, so they can review files more thoroughly?*

WRP: Yes, that is one option. Whatever we do, I think tenuring is one of the things we can make some improvements on.

***FSJ**: Secretary Powell has won enormous loyalty from his new troops, thanks in large part to his success in obtaining much-needed resources for State and reversing the negative trends that the Service had been facing. How can those gains be consolidated so they outlast his eventual departure?*

WRP: Just about everybody I've talked to here in the department — Foreign Service and Civil Service alike — has told me that the most important thing I could do as director general would be to help consolidate the gains that Secretary Powell and his team have brought to the department. So that is what I consider to be my top priority. My second priority is strengthening the partnership between the Civil Service and Foreign Service in Washington and strengthening the capability of our excellent Foreign Service National corps overseas. My third priority is to continue to have our State Department and Foreign Service truly represent America by recruiting and retaining qualified minorities.

We're all in debt to the Secretary for what has been accomplished. But a debt, in a way, represents a loan that has been entrusted to us. Now we have to take that loan, if you will, and turn it into an investment, something that continues to pay off for the indefinite future. The only way to do that is to develop the potential of our personnel. It also requires people to renew their commitments. As Secretary Powell has shown us, we can't simply depend on what someone else does; it also has to be what we are willing to do. After Vietnam, when the Army corps of officers — younger officers — developed the notion of land/sea/air combat planning as a reaction to what they perceived as the mistakes of that war, they carried that idea forward through a whole generation of military officers. I believe we can do the same thing in the State Department, and I think that's what we have to do.

We owe it to ourselves to have a stronger Foreign Service-Civil Service partnership.

***FSJ**: There has been some apprehension about the new EER form, currently being tried out on FS-1 and Senior Foreign Service officers, which calls for a personal essay from the rated employee. How would you respond to concerns that such a form would be particularly unfair if used to evaluate more junior officers?*

WRP: This is still a pilot program so, of course, it's too early to tell. But one of the reasons behind the decision to change the form was the recognition, and I know this from my own experience, that Foreign Service employees agonize over the need to write a two-part evaluation, one part evaluation and one part potential, because there often is a lot of overlap. Secondly, when informal surveys were done, a lot of people admitted that on many occasions they'd been asked to write their own EERs.

***FSJ**: When I was an FSO, I had that experience more than once.*

WRP: So why not allow the rated employee to express himself or herself first on what the performance was, and then let the supervisor consider that? After all, the employee knows the details and can express them. I basically think there is a certain responsibility associated with drafting an EER for all concerned. So we'll see how this works at the 01 level and take a careful look at it. We're certainly not trying to make the process more difficult, but want to make it fairer and more accurate. I have been listening to those who have expressed concerns and we'll obviously see how the experiment goes. But there does seem to be a general consensus that the previous process wasn't working as well as it might.

***FSJ**: It hasn't been in the news so much lately, but last year there seemed to be signs that Congress was looking at taking away the visa function from State and assigning it to the new Department of Homeland Security. What would you say to consular officers who are concerned that DHS may be planning a gradual takeover of the visa function?*

WRP: Secretary Powell and [CA Assistant Secretary] Maura Harty have the lead on this. But all of us in the State Department are committed to helping DHS do its job and to ensuring that State continues to perform the functions assigned to it by law, including the issuance of visas. I think a great deal of good work has been done on this and I don't have the impression the visa function is going to be leaving the State Department.

***FSJ**: Do you see any need to look at moving toward a unitary personnel system for State Department personnel, merging the Foreign and Civil Service structures?*

WRP: I would not allow form to prevent us from taking advantage of any and every flexibility we might have. I believe 10 of the first 47 State Department personnel into Iraq were members of the Civil Service. So I just don't think we can do crisis management without planning for a Civil Service component.

There are ways for Civil Service and Foreign Service colleagues to

Rather than put a label on something, let's just concentrate on the results we see as both possible and extremely beneficial to the State Department.

work more closely together even on substance. For example, neither the Foreign Service employee profile nor the Civil Service employee document, as I understand it, captures what people might have done before they came into the department. For example, if Foreign Service personnel in Washington have to respond to a crisis, why not have Civil Service colleagues with appropriate skills fill in behind them for a period of time? I think we need to look at all those flexibilities, and we owe it to ourselves to have a stronger Foreign Service-Civil Service partnership. Rather than put a label on something, let's just concentrate on the results we see as both possible and extremely beneficial to the State Department. The same thing is true for the indispensable contributions made by our Foreign Service National colleagues overseas.

FSJ*: You've referred a number of times in this interview to the idea that individuals should be encouraged to build up and keep current a body of expertise on specific issues and parts of the world. Do you think that most people in the Foreign Service seek out assignments that allow them to do that, or do you think the system needs to nudge them in that direction?*

WRP: I think that by and large most people are self-motivated, for several reasons. One is that, in a full career, there may be times when a choice job in your primary area of interest just isn't available. And broadening your experience, managerially or substantively, helps you to develop professionally. I believe there is no reason for the system to try to manage those choices because I think the free choice of the employee is as efficient a way of doing this as possible. But I do believe that developing specialties in three or four areas probably does, in some cases, detract from the ability of the employee to compete with his or her peers. So I think that part of the commitment to professional development over a longer period of time includes guidance and support in finding those areas where a person would be happiest and most productive.

FSJ*: Any final thoughts, Amb. Pearson?*

WRP: Well, to summarize, I would say that having just come back from three years in Turkey and 10 years overseas, looking at the world as we see it today, the job of the State Department and for the Foreign Service is as challenging as it has been for quite some time. I think we're very fortunate to have the leadership of Secretary Powell at a time like this, but we absolutely cannot treat the input of new people as if it simply were a windfall. It has to become *the* asset for our future. This is the message not only for us, but also for Congress and for our colleagues in the federal service. That's the spirit with which I start my job. And finally, speaking as a career-long AFSA member, I look forward to working with the AFSA leadership on all of these issues, and to finding the best possible solutions for all our people. ■

"How Are We Doing?": Assessing FS Morale

Many factors affect the morale in any organization, be it an embassy or a corporation. But taken as a whole, morale is a strong indicator of how well an organization is managed.

By Jaime Suarez, M.D.

It is the last day of my visit to a post as regional psychiatrist. As the ambassador had requested, I am having an "out-briefing" session with him to share my observations about his post's morale. I tell him his management style — characterized by verbally abusing his officers in front of their colleagues, often reducing them to tears — has been identified as the main factor dampening morale. He looks me squarely in the eye and says: "So, what else is new?" After we discuss some other issues, the meeting ends about 15 minutes later.

On a visit to the post 10 months later, not much had changed. The ambassador continued to humiliate officers in public, even those he had praised for good performance. (Imagine what he does to those he considers under-performers!) Obviously, he had made no attempt to change his management style. Morale remained low.

In a different region, visits to a post consistently yield high ratings of morale, ratings attributed to a great extent to the ambassador's management style and to his obvious interest in the welfare of the embassy community. Several years later I run into the same ambassador at a different post. The situation is quite similar.

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It is interesting that some of the highest ratings have been obtained at hardship posts and posts with danger pay.

These observations are the sort normally made in the course of regional visits by a Regional Medical Officer/Psychiatrist. They illustrate how specific factors affect morale at post. "How are we doing?" or "How is the post's morale?" are almost standard questions at the end of my regional visits. A desire to give objective answers to those questions led me to develop a consistent approach to assess morale. In this article, I give a brief outline of the "system" I have used for the last 12 years.

What Is Morale?

Defining morale is difficult, though many of us are confident we know good or bad morale when we see it. *Webster's Dictionary* gives this succinct definition: "Morale is a strong sense of enthusiasm and dedication to a commonly shared goal that unifies the group."

Morale can be viewed as the attitude of an individual, group or organization regarding the function or task at hand. A work group with high morale has a strong sense of shared direction and a commitment to peak performance. Harry Levinson, Ph.D. (of the Levinson Institute), considers morale "the expression of a work group's emotional health," and says it depends on how well certain shared needs and expectations are met by being a member of that group. The difficulty in defining morale lies in the fact that some of those needs and expectations are unconscious.

Many factors affect morale but, taken as a whole, morale is an indicator of how well an organization is managed. In the private sector, high morale has been clearly related to employee retention and a healthy "bottom line." Improved morale pays dividends, literally. This has motivated private organizations to invest in activities or improvements in the work environment to boost morale. These changes convey, through action and in an unequivocal way, the interest of an organization's management in the welfare of its members.

W. Lindsey, in his article "Mapping Work Group Morale" (*Journal for Quality & Participation*) says: "Work morale is a function of a person's attitude toward these key factors: 1. the job itself, 2. the work group, 3. management practices, and 4. economic rewards." He also concludes that there is usually a positive relationship between morale and performance. Studies have confirmed that relationship — and the financial value of high morale in the workplace.

But how directly does morale affect the organizational bottom line? Perhaps Edwin Locke of the University of Maryland expresses the best view: "The effects of morale on productivity are indirect rather than direct." Experts are certain, however, that low morale can harm an organization, and the employee, in other ways. Some examples are: work avoidance, defiance, talking back, deliberately ignoring rules and, worst of all, what Locke calls aggression (sabotage, stealing, starting rumors, leaking information to the press, etc.). The highest cost, however, is paid in human suffering and unhappiness. Ambassador Tibor B. Nagy, in his article "Ambassadors and Post Morale: The Most Critical Element" (*Foreign Service Journal*, February 2003), says, "… post morale is a major factor in determining whether a post functions well, or is simply dysfunctional."

One ambassador routinely humiliated officers in public, even those he had praised for good performance.

Another way of thinking about morale is in almost biological terms. Living organisms or bodies are formed by cells. When the cells become ill, we have a sick organism. Organizations are formed by people. Neglecting the people — in any part of the organization — is neglecting the organization and this can eventually lead to ailments and impaired functioning. Organizations can slow, falter or even "die" of management neglect or mistreatment much like a living organism.

Certain basic needs must be met (shelter, safety, food and acceptance by others) before higher-level needs (job security, career goals, prestige, recognition, etc.) become motivators and affect morale. Another set of individual factors is the psychological needs of the individual. Everyone has psychological needs; some are conscious, others unconscious. The sum of such unwritten conscious and unconscious expectations at work is what is called the "psychological contract." When the psychological contract is broken by the organization, morale declines.

But morale is a two-way street. It is important to emphasize that good morale in an organization is the joint responsibility of management and employees. Simply because most visible aspects of morale are the responsibility of management, employees should not assume they are exempt from responsibility.

Measuring Morale

Levinson says that the key to solving morale problems in organizations is diagnosis. Having some idea about the level of morale is rather useless if we do not have any idea of its reasons or causes and some idea, therefore, about how to improve it.

It is extremely difficult to measure morale because many of the factors are constantly changing and do not have the same effect on everybody. Different survey instruments have been developed to measure morale, some of them quite elaborate. In spite of how sophisticated surveys are, "there is nothing quite like being there face to face," says Anne B. Fisher in her article "Morale Crisis." I have found that the "face to face" approach combined with a rating of morale by the individual is the most useful approach to measurement.

It is very difficult to develop an idea or concept of what morale is like at a post without specifically looking into the matter. People usually do not volunteer this information spontaneously. Without getting too "scientific" about it, I ask people to "translate" their perception or description of morale into a number in a scale from 0 to 10, with 10 being the best realistically possible morale. Most people have no problem giving the requested number. Those numbers can be averaged and compared from visit to visit.

I also ask the individual to evaluate each of the various internal and external factors contributing to morale as they relate to the operation of the post or life in the city and country. The table on p. 59 shows the list

"Poor management style" is often used as a euphemism for incompetent management.

of factors explored in most of my assessments.

The idea of developing a "system" did not include developing some new or exotic way to look at morale but of grouping common elements that could be used consistently with the purpose of obtaining reportable and comparable results. The system is based on four main points: 1. obtaining a "rating" of morale; 2. identifying factors that affect morale; 3. asking people what they think could improve morale; and, 4. giving a summary of the observations to management or administration.

First, I ask people for their perception of the level of morale for the post (and for their office/section and personal level of morale if the circumstances allow it). Once this is expressed, I ask for the number on a 0-10 scale that best matches their description.

Points for Semi-structured Interview

Morale Rating:	Post:	**B.**	**External Factors**
	Office:		Housing:
	Personal:		Basic resources:
			Security/crime:
Main Factors	I:		Health care:
Affecting Morale	2:		Schools:
	3:		Sense of community:
			Spousal employment (other Activities):
A. Internal Factors			Cost of living:
Perception of Executive Office:			Climate and pollution:
Inter-office relations:			Leisure/cultural activities:
Inter-personal relations:			Cultural issues:
Communication:			Other:
Admin and GSO support:			
Work environment:			
Job satisfaction:			**One thing to improve morale:**
Relations with FSNs:			
CLO:			**Additional Comments:**
Newsletter:			
EEO issues:			

Then I ask for three factors they consider most responsible for the level of morale, as they perceive it. I ask then for their perception of the front office if it has not been mentioned yet, and cover the rest of the internal factors followed by the external ones.

To end the interview I ask what is the thing they think could improve morale at post the most.

The summary of the ratings and observations is given in out-briefing sessions and in a written report for the extended evaluations. The written report is usually sent to the ambassador through the Deputy Chief of Mission.

This information is gathered through interviews that are part of the courtesy calls during regional visits. On most regional visits, I use a "quick and dirty" version of the system due to the limited time. At home posts there is less of a time constraint and interviews are set up specifically for this purpose. It is not uncommon for people to ask if the interviews are confidential. Once people are assured they are, most are quite candid and forthcoming in their opinions. Others express interest in what I intend to do with the information obtained: the answer is that the individual observations will be combined in a general report to be presented to management without identifying the sources.

Some Observations

During the past 12 years, I have done 172 morale assessments in regional visits and five in-depth assessments at home posts. In the latter, the size of the "samples" has ranged from 8 percent to 31 percent of American employees, which, in a couple of cases, translated into interviewing over 60 people.

Ratings. The ratings of morale usually fall within a range of two points in the 0-10 scale. This approach does not allow drawing conclusions about specific sections or offices of the post, although comments made in that respect are noticed. It is worth pointing out that high-level managers generally rate morale at post higher than others. This is consistent with the private sector, where Nowesnick in her article "Mending Morale" reports the same finding in financial institutions.

Morale is a two-way street — the joint responsibility of management and employees.

It is interesting that some of the highest ratings have been obtained at hardship posts and posts with danger pay. This reflects not the actual living conditions or quality of life in the country or city, but more clearly internal factors that balance the situation or good adaptive skills in the American employees at post.

The reverse side of the coin is to find morale lower than one would expect in developed countries due to unrealistic expectations, difficulties in adjusting to "large city life," housing that is usually smaller than expected, inability to find or to afford household help, and the lack of a cohesive community or a sense of community that is fairly typical in more difficult or smaller posts.

Internal factors. Something that became clear quite early is that the front office "management style" exerts a pervasive influence on morale through the post or, as some say, "it sets the tone or the atmosphere for morale." I make sure I ask about this in each assessment. This is one of those issues that need to be explored specifically because people seldom mention it spontaneously.

How the front office is perceived in terms of the senior-most managers' concern, interest and caring for "the troops" is very important and should not be underestimated. The fact is that lack of concern or interest in the staff often translates into certain actions (or more often a lack of them) that directly affect quality of life and working conditions. Even the impression of not caring has a strong effect. A good example is long absences of ambassadors from post — especially if seen as unnecessary or motivated by personal reasons. The almost universal meaning or interpretation given to this is lack of interest in the mission. At one large embassy, several officers complained that the mission had been left "rudderless" even though a very competent officer had been the chargé d' affaires for the absent ambassador. These absences could also be "internal," as in senior managers that are never seen around the post — as if they were absent — because they never leave their "ivory towers" or "the top floor."

Overall, posts want a front office that is "visible and engaged." As Amb. Nagy notes in the conclusion of his article on ambassadors and post morale: "More than ever, the level of morale affects every facet of the mission performance and community life. And it is the ambassador's responsibility to work ceaselessly to make it as high as possible."

Another major factor is the support provided by the administrative and general services sections. People find it a lot easier to talk about this, in particular if it has affected them personally. This section manages the resources that constitute "creature comforts" and affect quality of life, and therefore has a strong effect on post morale.

More substantial than management style is the actual ability to manage properly. Talking about ways to build morale, Levinson says: "The real cures for morale problems are the practices of good management. That means managing an organization, or a work group, so that it can perpetuate itself (which includes adapting to the future), rather than managing for immediate profit alone." This is brought up regularly, and it is my impression that "poor management style" is often used as a euphemism for incompetent management. Fortunately, the department has recently devoted some attention to management training and "customer service."

Some of the management blunders that come to my attention violate the most basic principles of human relations, such as the right to privacy and the right to be treated with respect. I believe the problem here is a poor fit between the person and his/her characteristics or personality and the position they are given; i.e., people in managerial positions who do not have the attributes or training to do the job well.

Mismanagement has a demoralizing effect and teaches disastrous approaches to management to more junior officers who see it is accepted or ignored at higher levels. This perpetuates the problem.

External factors. External factors can have a strong effect on morale and tend to vary more from post to post. Many are determined by culture, others by geographical location or degree of development of the country. There is usually also a great deal of variability in the degree of personal tolerance to these factors with some people preferring to serve in hardship posts, posts in underdeveloped countries or certain cultures.

For those posts at higher risk or that have received specific threats, there is a direct effect on morale.

This is one reason why a good match between the employee and the job is quite important. A mismatch often leads to job burnout.

After 9/11, the risk of a terrorist attack has become a worldwide morale factor. As time passes and additional security measures are taken, the risk is described as "an awareness" rather than a worry at most posts. But for those posts at higher risk or that have received specific threats, there is a direct effect on morale. This issue will continue to evolve and, unfortunately, to affect morale for the foreseeable future.

A Simple, Workable System

Does the system produce a "prescription" for good morale? The short answer is no. With the complexity and variability involved in the morale of our missions, this simple system could not produce a prescription to remedy all problems. On the other hand, once the factors that affect morale adversely are identified, some of the remedies may become evident. Also it may make clear that other factors cannot be changed.

Referring to empowerment as a factor to improve morale in mid-level management, A. B. Fisher suggests following three steps: First, find out what people are thinking, what they believe the problems in the organization are. Second, let them design the solutions. Finally, get out of the way and let them put those solutions into practice. I believe a similar approach is appropriate in our situation. If this system can provide a fairly objective and comparable measure of morale and identify the factors that influence it, it has succeeded in its objective. How this information is used is for management to decide, but I believe we do our job by providing the information.

How does this system for evaluating morale measure up? "In the land of the blind the one-eyed man is king," goes the popular saying. Maybe this is the case here. I do not know of other systems that could be used for comparison, but personal observation and feedback received from the posts visited indicate that the system seems to be accomplishing its objective.

In a lucky coincidence, two of the extended assessments I carried out using this system were followed by inspections of the posts. As part of the inspection, the OIG team looked at some of the same factors I explored in the morale assessments. In both cases I was told that their findings were basically the same. This, in my opinion, validated my findings, as the inspectors obtained theirs through a different approach and not necessarily from the same sources. Several posts have been surprised by findings they did not expect.

Morale is a vital indicator of the overall state of emotional or psychological well-being of work groups and reflects how well an organization is managed. It is important to look at morale systematically, in a way that allows the estimated level of morale and the factors that affect it to be compared in repeated visits or at different posts. I believe this system allows us to do that and to gather information that can be helpful to management in addressing morale issues. ■

Twice Fateful in Tehran

An FSO reflects on two tours of duty a quarter-century apart. Neither was expected or sought, but both proved momentous.

By Bruce Laingen

This past Aug. 28 was the 50th anniversary of the ouster from power in Tehran of then-Prime Minister Mohammad Mossadegh, due to street violence engineered, in part, by CIA operatives with the help of British counterparts. The young shah, Mohammed Reza Pahlavi, who had fled the country in the midst of the turmoil, was restored to the throne. A quarter-century later, in 1979, fate would see the shah forced to flee his country again, this time never to return. Without his crown and essentially homeless, he would die in 1980 and eventually find burial in a far corner of an Egyptian mosque, courtesy of his faithful friend Anwar Sadat.

The history of these years saw fate involving me as well with that history in Iran, both at its beginning and again at its end. At its immediate beginning, however, in August 1953, Tehran was for me still a distant place, and the political crisis surrounding Mossadegh's nationalization of the British-operated Iranian oil company of little interest. I had just completed my first tour in the Service as a visa-issuing officer at the consulate general in Hamburg. Assigned next as a vice consul to Kobe, Japan, I had completed briefings in the State Department and was on home leave on the family farm in Minnesota. My mind, my preparations, including the dispatch of my household effects, were on Kobe and all things Japanese (those effects, incidentally, only reached me 10 months later in Tehran). Then, three days before my scheduled departure for Kobe in October 1953, a telephone call from the department informed me that I was not going there. Instead, I was to return to Washington for short briefings en route to the economic section of the embassy in Tehran.

At that time Loy Henderson was presiding as ambassador in that city, deeply engaged in the considerable maneuvering of the U.S. and the U.K. in both the oil nationalization and its consequences — not least the coup involving the shah. Thinly staffed before these events, Embassy Tehran had grown sharply and would do so even more as American economic and military programs began a period of rapid expansion. "So many American offices," I wrote, "that it seems to me to be confusion compounded." As an available, as yet single and programmatically dispensable young officer, I became a part of that expansion — as did colleagues like Grant Mouser, Bob Malone, Chris Chapman, Bob Funseth, Roland Bushner, Pete MacDonald and others, also single and new to the Service. And today all of us remain proud of that service under Amb. Henderson.

What follows in this writing are scattered impressions from my personal letters of the time that perhaps should have been warnings of things to come years later.

First Impressions

On Nov. 1, 1953, having been in Tehran all of a week, I wrote that I found everything, especially by contrast with Hamburg, nothing short of chaotic — a city where a few of the outward appearances of a modern city had been superimposed on an ancient civilization not susceptible to quick change.

The political situation was quiet but hardly settled. The

Bruce Laingen was a Foreign Service officer from 1949 until 1987, serving twice in Iran (1953-1955 and 1979-1981). He is currently the president of the American Academy of Diplomacy.

trial of Mohammad Mossadegh had begun that day in a heavily guarded court outside the city, so the town was full of foreign journalists. On walls and buildings, signs saying "Americans Go Home" had been painted over with the advent of the military government of General Fazlollah Zahedi, but with the words "still there under the paint, and no one certain that things would not completely change again in this explosive country." I quoted an observer who characterized the political and economic situation as having changed from a "hopeless situation to a very bad situation."

Mossadegh's supporters were now very few and very quiet, " ... since they value their necks." But I noted of Mossadegh himself: "wily and emotional, he has pretty much stolen the show in the courtroom." He would later be sentenced to three years of solitary confinement, and would spend the remainder of his years until his death in 1967 under house arrest.

Three days before I was to leave for Japan in 1953, a phone call from Washington informed me I was going to Iran instead.

My letters reflected the mood of the times. "It goes without saying how very important a strong, independent and economically sound Iran is for the West ... should this country fall behind the Iron Curtain, the age-old Russian dream of control of Middle East oil and ports on the warm water of the south will have been realized." They reflected, as well, the judgments of someone totally new to Islam and the Middle East, writing to family back home who were even less knowledgeable, about "... the unwillingness of Islam in most Middle East countries to adapt itself somehow to changes in the times, the unwillingness of the leaders to adopt a realistic attitude toward the political, social and economic problems (and they are many) of most Middle East countries."

Temporarily moved from the economic section of the embassy, I was in the offices of the director of a $24 million annual Point Four program (including a major, DDT-driven anti-malaria program), serving there with the young Ardeshir Zahedi, son of the prime minister, who would eventually serve as ambassador in Washington. Much about the city, I wrote, baffled resident Americans, but nothing so much as the traffic, which "defies description," with the few traffic lights as exist doing little more than following traffic, with "pedestrians blissfully unaware of the dangers facing them." It was "no place for anyone with a weak heart." On the streets, bayonet-wielding soldiers manned every corner, with martial law in effect and a curfew in place from 11 p.m. until 5 in the morning. New to embassy life, I marveled that even with that curfew, the diplomatic social circuit was intense — recording at one point 26 required events in a month. I told my parents that "anyone who says that this diplomatic service is easy work should try it; he'll soon change his mind."

A VIP Visit

Newly elected Vice President Richard Nixon and wife Pat arrived for a short visit in early December 1953, as part of a worldwide tour. Grateful for the American support the Nixons' visit symbolized, the Zahedi government organized several elaborate and glittering receptions for them, including one in the main diplomatic reception room of the foreign ministry — the same room in which I would later live as a hostage.

That visit further intensified security on the streets of the capital, which were still somewhat tense, especially around the university — producing "a chronic source of disturbances for trigger-happy security forces," I observed. Three students had been killed by police fire in demonstrations against the resumption of diplomatic relations with Britain — broken in the midst of hostilities following oil nationalization.

At the university, I found one American who observed he did not feel he could walk freely around the campus — the students being "understandably bitter; the wealth of the country is so tied up with a few families that many of them have little to hope for after they finish school, so they take out their bitterness against the foreign students." This American shared the sentiments I recorded in my letters that there appeared to be little awareness of the role of the individual citizen in improving his own country. I wrote to my family that "it is always the government that must do something ... and it usually talks big and does nothing, with the result that the masses become dissatisfied, tension increases, riots break out in the streets and the government falls. That has been the pattern in the past and, though the present government gives more hope than its predecessors for change, there is no assurance that the pattern won't be repeated."

Those sentiments also found frequent expression among the student population. Grant Mouser and I had volunteered to lead an English-language discussion group at the Iran-American Society, which met twice weekly and inevitably saw heated expressions of the Zahedi regime's shortcomings and official American complicity in its policies.

Like almost everyone else, from governments on down, I found the shah's forced modernization of his country impressive enough to think he might succeed.

I described one session, reflecting the general sentiment: "... the present government is completely undemocratic, completely in the hands of the old ruling families and benefits no one but the one thousand families of the country. American policy in the country is completely wrong; it supports a government unaware of the conditions in which the vast majority of the people live and in supporting the present graft-ridden government is wasting the millions of aid dollars it is pouring in here. ... The Americans, and Mr. Henderson in particular, must stop listening to the Iranian upper classes who are giving them the wrong picture of the country."

That line was invariably buttressed as well with warnings about British influence — symbolizing the foreign presence lurking behind every tree — over the country: [they] "had robbed Iran for the past hundred years and would do so again if the Americans did not stop helping them regain their position by means of the negotiations then underway in the oil consortium negotiations."

Those negotiations eventually succeeded, and on the first anniversary of the coup in August 1954, I watched a massive military parade — Zahedi still in power and dedicating yet another monument to the shah — all again "under the watchful eye of bayonet-wielding troops still in goodly numbers at most street intersections ... the crowds watching it all rather dumbly, never cheering, and clapping only in an organized fashion led by troops on the streets." They did not, I observed, reflect any enthusiasm for the government.

I reported to my family on one occasion that "while open popular dissent might have been natural, this government is so firmly in control of the army and exercises its control so effectively that the communists and extreme nationalists have no luck in starting trouble." But I found myself expressing a judgment that this was "probably a good thing, since even though this government is not the last word in democracy by any means, it is at least strong and is able to give Iran a period of internal peace, which it can well use."

A year after my arrival in Tehran, as I was preparing for a five-month assignment as principal officer in Meshed, my view had not changed. I wrote, "It is no wonder that there is corruption and graft in this country, from the top to the bottom. There is so much to be done here ... almost hopeless for anyone who really tries." And a year later, my pessimism was as strong as ever: "I keep looking about me for signs of improvement in the two years that I have been here, and I find it most difficult. ... It is discouraging at times simply to observe the process that this country is going through. And if I am discouraged, you can imagine how discouraged well-meaning people of this country themselves are. Let's hope that another year will see Iran well on the road to a sound economy, which its natural resources should easily support, and the beginnings of

New to embassy life, I marveled that even with a curfew, the diplomatic social circuit was intense.

economic well-being and social welfare for the Iranian people, so that the country can someday be the bulwark of freedom in this area which it is U.S. policy to help achieve."

A Second Detour to Tehran

That was 1955. Almost a quarter-century later, fate again intervened. Over the intervening years I had watched Iran's development from a distance, and like almost everyone else, from governments on down, found the shah's forced modernization of his country impressive enough to think he might succeed. Everyone was proved wrong, above all the shah himself, and in January 1979, he once more fled his country, never to return. The Ayatollah Khomeini arrived a few weeks later to preside over his Islamic Revolution.

Back on that farm in Minnesota, in May 1979, again on leave prior to leading an inspection team of our embassies in Uruguay, Paraguay and Argentina, the telephone rang, with advice that the Secretary of State wanted me to go to Tehran, "for four to six weeks," as acting chief of mission, while Washington sorted out its future policy direction in our prickly relations with the new regime in Tehran. Those four to six weeks would extend to five months and later become the 444 days of the hostage crisis. ■

BOOKS

The Lady Sings

Madame Secretary: A Memoir
Madeleine Albright, Miramax Books, 2003, $27.95, hardcover, 512 pages.

REVIEWED BY DAVID CASAVIS

This autobiography is really two books, each lively and compelling in its own right. The first half traces Madeleine Albright's personal odyssey from a young Czech refugee and daughter of a diplomat to becoming a diplomat herself, while the second half concentrates on the substance and process of foreign policy-making. As a bonus, her footnotes are so detailed that they are, by themselves, well worth reading.

The basic outline of Albright's life — narrowly escaping from the Nazis; growing up to become an academic, U.N. ambassador and the first female Secretary of State; and only discovering her Jewish roots many years later will already be familiar to most readers. But in this telling, it is an even more powerful story of a woman's triumph over adversity.

Albright makes no bones about her reputation as a forceful, outspoken career woman. When Henry Kissinger called her to welcome her to "the fraternity of those who held that position," she retorted: "Henry, I hate to tell you, but it's not a fraternity anymore."

Yet her femininity is clearly important to her, as well. Even in the midst of waging major political fights, she has a real flair for discussing clothing and floral arrangements and writes enthusiastically about her hobby, knitting.

> *Rather than using her memoir to settle scores, Albright goes out of her way to commend many career State Department employees.*

She also recalls her husband's courtship of her in warm and loving phrases — and his leaving her for a younger woman with pain but no bitterness.

The policy discussions that dominate the second half of *Madame Secretary* will probably be of greater interest to Foreign Service readers than to a general audience. Defending her positions on Bosnia and Kosovo, for example, she insists that "we had to implant some spine in our foreign policy." She acknowledges that she had many harsh critics within the ranks of the Foreign Service, such as the unnamed chargé d'affaires in Rangoon who told her, "Now we will have to clean up the mess you have left." She vigorously defends the measures she took, in the face of strong opposition, to hold State personnel more accountable for security infractions. And she elaborates on her famous exchange with Colin Powell when he was still chairman of the Joint Chiefs of Staff, adding an interesting postscript to her question, "What are you saving this superb military for?"

A certain wary tension is evident in her wry description of Main State. "Inside there are white ceilings, endless white linoleum hallways, and white walls marked with color-coded stripes to prevent visitors from getting lost. I often thought that, if not for gravity, you could find yourself walking on the ceiling and not know the difference."

But refreshingly, unlike some memoirists, she does not use her account to settle scores. Instead, she goes out of her way to commend many career State Department employees; for example, she praises John Lange, chargé d'affaires in Dar es Salaam in 1998, for his work following the bombing of that embassy. And she reiterates her objections to certain U.S. senators and their "overly empowered" staff who place indefinite holds on ambassadorial nominations, citing three members of the Senior Foreign Service — Bill Walker, James Dobbins and Peter Burleigh — who had their careers curtailed for no given reason.

Throughout, Albright displays a self-deprecating sense of humor, including a picture of herself in an unflattering blonde wig at a Muskie fundraiser. She is also candid about her weight, recalling that she once told a U.N. committee meeting that she had referred a matter to Washington and that it would not be over until "the fat lady sings."

Whatever one thinks about Madeleine Albright's career, at a minimum, she has given us an admirable account of her years in Foggy Bottom.

David Casavis works for the U.S. Department of Commerce in New York City.

Books

Not Easy Being Green

Worlds Apart: Globalization and the Environment
James Gustave Speth, Island Press, 2003, $22.50, paperback, 165 pages.

Reviewed by Tamera Fillinger

Large, sometimes violent demonstrations against the World Trade Organization and other global organizations, in locales from Seattle and Washington, D.C. to Cancun, Davos, and Johannesburg, have periodically captured the world's attention in the last few years. But that notoriety has not translated into much attention to the specific aims of the protesters and environmental nongovernmental organizations.

Fortunately, *Worlds Apart: Globalization and the Environment* is an excellent primer on the highly charged issue of the impact of globalization on the environment. Its author, James Gus Speth, is dean of Yale University's School of Forestry and Environmental Studies, and one of the world's leading experts on international environmental policy. Here he brings together 10 articles by academics, business leaders and activists on the history of international environmental summits and policies, recent developments in the movement and current scientific information on global environmental change. The book also summarizes the current theories and next steps sought by environmental leaders to proceed toward sustainable resource use and greater international participation in environmental management.

The articles fall into two main groups: those examining the social and political dimensions of globalization and those assessing the scientific

Speth is hopeful that American leadership will eventually re-emerge.

evidence of environmental impacts and current developments in alternative energy sources. The first group starts with an historical overview by Maurice Strong, who was secretary-general of the 1992 Rio Earth Summit as well as the director of the 1972 Stockholm Conference on the Human Environment. Strong notes that while the current economic system has created unprecedented capacity to generate wealth, the resulting imbalances and inequities can have profoundly destabilizing effects on national societies as well as the world community. But he believes a system of international agreements can support sustained development and protection of environmental resources.

At the other end of the spectrum, Jerry Mander, an environmental activist and president of the International Forum on Globalization, is convinced that globalization is inherently bad for the environment and society. In particular, he maintains that transnational free trade agreements — always a highly politicized issue — replace hard-won national environmental protections with a lowest-common-denominator approach. Citing various WTO rulings that produced a ratcheting downward of environmental or labor or health standards worldwide, Mander argues that globalization is dramatically increasing the rate at which resources are consumed and exhausted.

Vandana Shiva, an Indian scientist and activist, details the widespread environmental and economic damage caused by IMF and World Bank structural adjustment prescriptions that require developing countries to grow certain export commodities, such as flowers or shrimp, rather than staple crops. Because many countries are exporting the same commodities under such programs, the world price for these commodities has declined. She takes the example of the environmental problems associated with shrimp farming in India (deforestation and salination of local drinking water), and points out that for every dollar traded globally by exporting shrimp, between seven and 10 dollars worth of local resources are destroyed.

The second group of articles concentrates on environmental science. Jane Lubchenco, a marine biologist and president of the International Council for Science, gives a chilling overview of ongoing air and water pollution, climate disruption, marine degradation, deforestation and loss of biodiversity. In contrast, Stephen Schmidheiny, a business leader, discusses how sustainable forestry and regulated logging lead to sustainable and profitable forestry use.

In closing, Speth casts the 2002 Johannesburg environmental summit as a failure, citing as the primary cause the U.S. administration's preoccupation with the war on terrorism and its general hostility to both environmental causes and multilateral agreements. But he is hopeful that the environmental NGO sector will remain vibrant, fueled by increasing scientific evidence and successful public-private environmental partnerships, and that American leadership will eventually re-emerge. ■

Tamera Fillinger was an FSO legal adviser with USAID, serving in Nairobi and Jakarta from 1992 to 1999. She now practices law in Washington, D.C.

REAL ESTATE

Real Estate

Real Estate

Real Estate

Real Estate

REFLECTIONS

The Grip of Desperation

BY THOMAS R. HUTSON

Not in Bangladesh, not in the Congo, nor in any other of the most desperate parts of this tumultuous world where I have been assigned during my Foreign Service career, have I ever felt anything like it.

It was my first attempt to give away something of continuing value in northern Afghanistan. Not candy or Big Red chewing gum. I decided to pass out a dozen bright blue ballpoint pens — emblazoned with "U.S. GOVERNMENT" and made by the handicapped back home. Strike a blow for education, for literacy, for the little girls that the horrific Taliban wanted to leave behind forever.

I was headed to the provincial capital of Mazar-e-Sharif for a meeting with the president of Balkh University. U.S. taxpayers had just spent $50,000 to furnish the impoverished school with desks, beds and other basic equipment. I was traveling with my personal security detail from the British Forces — a young driver and a shooter, both heavily armed, dressed in desert camouflage and speaking in a Cockney accent largely beyond my comprehension.

> *Their grip sent a wave of desperation from their pathetic lives into my body and down to the depths of my soul.*

At first, there were only a few children around the two vehicles. But when I started to pass out the pens, something happened — a mob of bigger kids came out of nowhere to engulf me as I tried to hand the pens to the smallest children. I am a large man at 6'5" but my size did little to prevent the children from literally climbing my frame to grope for the box of pens, which I strained to hold aloft. Then a couple of bigger children (or maybe they were undernourished adults) got a hold on my right arm. Their grip sent a wave of desperation from their pathetic lives into my body and down to the depths of my soul, forcing me to drop the box — with the spoils falling into the dirt and into the hands of the biggest and most aggressive. So much for charity to small children. I called to mind the chilling accounts of children gone wild in *Animal Farm* or *Lord of the Flies*.

Some days later, we stopped our armed convoy to remove our body armor near a village on the highway from Mazar-e-Sharif to Sheberghan in the neighboring province of Jawzjan. Again, our vehicles were approached by a crowd of villagers, large and small. The villagers scurried haphazardly from the patchy wheat fields they had been threshing by hand.

When I offered them my sack lunch, courtesy of our British Forces chef, my previous experience recurred. In trying to ensure that a small girl got an orange or an apple, my right arm holding the fruit was so desperately gripped by a grown man that I thought he would never let go. And the outcome was the same — my arm was brought violently down by the desperate grip of two more large children who got the orange and apple, leaving the little girl's tears to fall into the dusty roadside.

Now comes a new dimension to the question of survival of the fittest: whether it is better to try to give to the weakest when in the grip of the strongest — struggling so desperately to survive until the next meal? Or, does humanitarian aid simply allow the least fit to suffer longer — before they succumb to the vagaries of life in the real world? I have no answer. ■

Thomas R. Hutson is a retired Foreign Service officer who was recently re-employed as the U.S. representative on the U.K. Provincial Reconstruction Team in Mazar-e-Sharif in northern Afghanistan. The stamp is courtesy of the AAFSW Bookfair "Stamp Corner."

2003 TAX GUIDE INSIDE THIS ISSUE

AFSA NEWS

American Foreign Service Association • February 2004

SENIOR EXECUTIVE SERVICE PAY SYSTEM REFORM

Pay Reform Threatens to Freeze SFS Members in Place

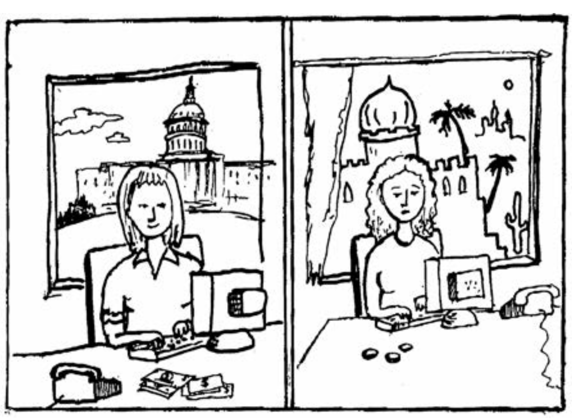
BY SHAWN DORMAN

Significant changes to regulations governing pay for members of the Senior Executive Service could have a serious impact on Senior Foreign Service salaries. The new pay system, which was to take effect on Jan. 11, is performance-based and eliminates locality pay.

The new regulation — Public Law 108-136 — was included in the Fiscal Year 2004 Defense Authorization Bill and signed into law by the president in late November. The law made no mention of the Senior Foreign Service, but SFS salaries are tied to Senior Executive Service pay rules.

Because all future pay increases are to be performance-based (none will be automatic anymore), the new rules would effectively freeze pay levels in place for SFS members. The key problem with the new pay system is that as set up by the Office of Personnel Management, SFS members receiving locality pay as of Jan. 11 would keep that pay as part of their new base salary, while those members overseas — none of whom receive locality pay — would be stuck with a base salary that is up to 16 percent lower than that of colleagues of equal rank serving in Washington.

According to OPM, "the new system no longer offers SES members access to automatic locality pay adjustments or to an automatic, across-the-board pay increase at the time of the annual pay adjustment for General Schedule employees and Executive Schedule officials. Instead, the new system requires that all future SES pay increases (beginning in January 2004) be based exclusively on individual and organizational performance, and it allows significantly higher base pay limits for the best performing executives." For more details on the new rules, go to the memo from OPM Director Kay Coles James to heads of departments and agencies on the OPM Web site at www.opm.gov/oca/compmemo/2003/2003-19.asp.



JOSH

All the foreign affairs agencies and AFSA are actively engaged and unified in seeking to neutralize any potential inequities that could occur as a result of the pay reform and elimination of locality pay. Quoted in Stephen Barr's Federal Diary column in the *Washington Post* on Dec. 18, 2003, AFSA President John Limbert comments that "Overseas, the unfortunate message to the Foreign Service of the United States from the recent SES pay changes is inescapable: The administration and the Congress value neither our service or our sacrifice."

"Every year Foreign Service members pay a higher price for serving overseas, as the gap between locality pay and base pay only grows," Limbert wrote in his letter to Barr. "It has always perplexed AFSA why the administration and the Congress are so resistant to the idea of compensating these employees fairly. (See "The SFS — Collateral Damage at www.afsa.org/ltrtobarr.cfm.) In addition to the *Post*, Limbert's comments on this issue were quoted in *Government Executive* and *Federal Times*.

State Department management has been in close contact with both OPM and the Office of Personnel Management and Budget working on procedures to set pay appropriately and equitably on Jan. 11. State management sent a draft Executive Order to OMB to establish a new senior pay schedule for all SFS employees. "If approved," according to the Dec. 31 message from Director General Pearson on the new personnel reform law, "it is our intention to set initial pay for SFS members assigned overseas against the new schedule in a way that will include Washington locality rates." (NOTE: As we go to press, State is awaiting a response from OMB. AFSA is hopeful that by the time you read this, a successful resolution to the SFS locality pay inequity will have been found.) □

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V.P. VOICE: **STATE** ■ BY LOUISE CRANE

Listen Up, Congress!

The recent law changing the way members of the Senior Executive Service and the Senior Foreign Service are compensated has highlighted the inequity of denying Washington locality pay to those Foreign Service employees who are posted overseas. Once the new 2004 pay rates go into effect, the difference between what you make in Washington and what you make overseas will be at least 14 percent and maybe even more. So, if you want to equal your Washington income, now you have to go to a 15-percent or higher hardship post.

AFSA has inveighed against this financial injustice for some years. However, at the retreat for the new members of the AFSA Governing Board last November, the active-duty members said flatly that addressing this injustice must be not just *an* AFSA priority, it must be *the* priority.

The locality pay gap grows wider each year. In the past, when AFSA has talked to congressional committee staff on this subject, they have argued back that they don't think those in London or Paris should get locality pay.

Clearly, AFSA must adopt a new strategy to educate the Congress. We may need to take a more "in-your-face" approach. Employees in London and Paris don't spend their whole careers there. For every London, there is an Algiers and a Beirut. Those posted to London and Paris could, in a month's time, find themselves en route to Baghdad or Kabul or Islamabad. That is, the employees could find themselves there: Their families will be relocated to some approved safe haven, usually a Washington, D.C., suburb. The employee won't receive Washington locality pay, because the employee isn't in Washington. So, a portion of the employee's non-locality pay will be allocated to support the family in a locality-pay locality. That is an absurd situation.

A federal court recently awarded compensation to some of the victims of the Beirut bombing and their survivors. I read every plaintiff's deposition and found those from the widows especially plaintive. One widow wrote of the difficulty of finding employment. She knew she couldn't raise her family on what the Federal Employees Compensation Act provided; she had to go to work. Being overseas, she hadn't developed those networks employment counselors say are so important to finding a job.

Listen up, Congress! The Foreign Service is a one-career system in a dual-career world. In seven out of 10 U.S.-based families with children, both parents work. If a Foreign Service spouse can't work because the employee is overseas, then the spouse isn't earning any Social Security benefits and isn't putting any money into an IRA or a 401(k). Meanwhile, because the overseas employee is denied locality pay, less is being paid into Social Security and less is being contributed to the Thrift Savings Plan. This means overseas assignments don't just disadvantage FS families financially in the short run; they disadvantage them long into retirement.

I recently talked with Human Resources Staff at the Central Intelligence Agency. CIA pays all employees at the same grade the same salary, whether or not they are posted abroad. I asked one CIA official what the rationale was behind this. She said, "We did not want to provide any incentive for employees not to go overseas." Hear that, Congress? □

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AFSA 2003 TAX GUIDE

Federal and State Tax Provisions for the Foreign Service

AFSA's Tax Guide is designed as an informational and reference tool. Although we try to be accurate, many of the new provisions of the tax code and IRS implementing regulations have not been fully tested. Therefore, use caution and consult with a tax adviser as soon as possible if you have specific questions or an unusual or complex situation.

FEDERAL TAX PROVISIONS

The Military Families Tax Relief Act of 2003 was signed by the president on Nov. 11, 2003. The new law provides a significant benefit for Foreign Service families who sell their homes at a profit, but have been unable to avail themselves of the capital gains exclusion (up to $250,000 for an individual/$500,000 for a couple) from the sale of a principal residence because they did not meet the IRS "two-year occupancy within the five years preceding the date of sale" requirement due to postings outside the U.S. Under the new law, in relation to the sale of a principal residence after May 6, 1997, the calculation of the five-year period for measuring ownership is suspended during any period that the eligible individual or his/her spouse is serving on qualified official extended duty as a member of the uniformed services or the Foreign Service.

The five-year period cannot be extended by more than 10 years. In other words, Foreign Service employees who are overseas on assignment can extend the five year period to 15 years, depending on the number of years they are posted away from their home. Note that the provision is retroactive, so that anyone who has already paid the tax on the sale of a residence that would have qualified under the new law may file an amended return to get the benefit of the new rule. There is a one-year window (ending Nov. 11, 2004) to file an amended tax return.

Foreign Service employees most frequently ask AFSA about home ownership, tax liability upon sale of a residence, and state of domicile. We have devoted special sections to these issues.

For 2003, the five basic tax rates for individuals are slightly lower at 10, 15, 25, 28 and 33 percent, with a top rate of 35 percent. The 10-percent rate is for taxable income up to $14,000 for married couples, $7,000 for singles. The 15-percent rate is for income up to $56,800 for married couples, $28,400 for singles. The 25-percent rate is for income up to $114,650 for married couples, $68,800 for singles. The 28-percent rate is for income up to $174,700 for married couples and income up to $143,500 for singles. The 33-percent rate is for income up to $311,900 for married couples and singles. In addition, there is a 10-percent surtax for certain high-income taxpayers. It is computed by applying the 35-percent rate to taxable income over $311,950 for singles and married couples and for married couples filing separately whose income is over $155,975. Long-term capital gains are taxed at a maximum rate of 20 percent if sold by May 6, 2003, and 15 percent if sold after that date and are reported on Schedule D. This rate is effective for all sales in 2003, except for those people who fall within the 10- or 15-percent tax bracket: their rate is 5 percent. Long-term capital gain is defined as gain from the sale of property held for 12 months or more.

Personal Exemption

For each taxpayer, spouse and dependent the personal exemption has been increased to $3,050. There is, however, a personal exemption phaseout of 2 percent for each $2,500 of adjusted gross income (AGI) over $139,500 (singles), $174,4000 (head of household), $209,250 (joint) and $104,625 (married, filing separately). For those taxpayers in the last category, the phaseout is 2 percent for each $1,250 of adjusted gross income over $104,625.

Extension for Taxpayers Abroad

Taxpayers whose tax home is outside the U.S. on April 15 get an automatic extension until June 15 to file their returns. When filing the return, these taxpayers should write "Taxpayer Abroad" on the first page and attach a statement of explanation. There are no late filing or late payment penalties for returns filed by June 15, but the IRS *will* charge interest on any amount owed from April 15 until the date they receive payment.

Standard Deduction

The standard deduction is given to nonitemizers. It has been steadily increasing since 1987, but there has been a big jump for married couples filing jointly. For couples the deduction is now $9,500 and for singles, $4,750. Married couples filing separately get a standard deduction of $4,750 and head-of-household filers receive a $7,000 deduction. An additional amount is allowed for taxpayers over age 65 or blind.

Most unreimbursed employee business expenses must be reported as miscellaneous itemized deductions, which are subject to a threshold of 2 percent of adjusted gross income. This includes professional dues and publications, employment and educational expenses, home office, legal, accounting, custodial and tax preparation fees, home leave, representational and other employee business expenses, and contributions to AFSA's Legislative Action Fund. Unreimbursed moving expenses are no longer an itemized deduction. Since Jan. 1, 1994, moving expenses have been an adjustment to income, which means that you get to deduct them even if you are taking the standard deduction. However, the deduction has been narrowed to include only the unreimbursed costs of moving your possessions and yourself and your family to the new location.

Medical expenses (including health and long-term care insurance, but not health insurance premiums deducted from government salaries) are subject to a deduction equaling 7.5 percent of adjusted gross income. This means that to be deductible, the 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 $139,500. This 3 percent is applied to the AGI over $139,500 and not to the total of itemized deductions on Schedule 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 (to American charities only) for most taxpayers. Donations to the AFSA scholarship 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 2003 tax returns, any interest paid on auto or personal loans, credit cards, department stores and other personal interest will not be allowed as itemized deductions. Interest on educational loans will be allowed as an adjustment to gross income. If the above debts are consolidated, however, and paid with a home equity loan, interest on the home equity loan is allowable. Mortgage interest is, for the most part, still fully deductible. Interest on loans intended to finance investments is deductible up to the amount of net income from investments. Interest on 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 other "passive income." 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, may be listed as miscellaneous itemized deductions and claimed on Form 2106. In addition to the 2-percent floor, only 50 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 $35 to $45 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 36.5 cents for miles driven during 2003. Those who use this optional mileage method need not keep detailed records of actual vehicle expenses. However, they should keep a detailed odometer log to justify the business use of the vehicle and track the percentage of business use. From 1998, this optional mileage method applies to leased vehicles.

Official Residence Expenses

Since Oct. 1, 1990, employees who receive official residence expenses (ORE) have not been allowed to reduce their reportable income by 5 percent. The IRS ruling regarding ORE states that "usual expenses," defined as 5 percent of salary, are not deductible. Therefore the only expenses that are deductible are those above the 5 percent 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

Employees may deduct interest on up to $1 million of 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 on up to $100,000, no matter how much the home cost, unless the loan is used for home improvements. 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 be fully deducted the same year, but must be deducted over the life of the loan. It is advisable to save the settlement sheet (HUD-1 Form) for documentation in the event your tax return is selected by the IRS for audit.

Qualified residences are defined as the taxpayer's principal residence and one other residence. 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 a vacation property that you rent out 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 2003 can continue to deduct mortgage interest as a rental expense. Also deductible are property management fees, condo fees, depreciation costs, taxes and all other rental expenses. Losses up to $25,000 may be offset against other income, 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.

Sale of a Principal Residence

The current capital-gains exclusion on the sale of a principal residence on or after May 7, 1997, applies to all homeowners regardless of their age. Previously, qualified individuals who were age 55 or older were allowed a one-time capital-gains exclusion of $125,000. Also, under previous law, if you had a gain when you sold your home, you could defer all or part of the gain if you purchased or built another home (of equal or higher value) within two years before or after the sale.

JOSH

The current tax laws allow an exclusion of up to $500,000 for couples filing jointly and up to $250,000 for single taxpayers on the gain from the sale of their principal residence. All depreciation taken after May 7, 1997, will, however, be recaptured (added to income) at the time of sale, and taxed at 25 percent.

The only qualification for the capital-gains exclusion is that the house sold must have been the taxpayer's principal residence and owned by the taxpayer for at least two of the last five years prior to the date of the sale. As stated above, the five-year period may be extended based on any period in which the taxpayer has been outside the U.S. on Foreign Service assignment, to a maximum of 15 years (including the five years). There are some exceptions to the two-year requirement, including a sale for the "change in place of employment" reason (this would include foreign transfers). This exclusion is not limited to a once-in-a-lifetime sale, but may be taken once every two years.

When a principal residence is sold, capital gains realized above the exclusion amounts are subject to taxation. This exclusion replaces the earlier tax-law provision that allowed both the deferral of gain and a one-time exclusion of a principal residence sale.

Temporary rental of the home does not disqualify one from claiming the exclusion. The new tax law requires only that you have occupied the house as your principal residence for the required period (two years out of five, extended).

Under Internal Revenue Code Section 1031, taxpayers whose U.S. home may no longer qualify for the principal residence exclusion may be eligible to replace the property through a "tax-free exchange" (the so-called Starker exchange). In essence, one property being rented out may be exchanged for another, as long as that one is also 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 — 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. An exchange should never be attempted without assistance from a tax lawyer specializing in this field.

Calculating Your Adjusted Basis

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 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."

STATE TAX PROVISIONS

Every active Foreign Service employee 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 numerous regulations concerning the taxability of Foreign Service pensions and annuities that vary by state.

This state guide briefly reviews the laws regarding income tax and tax on annuities and pensions as they affect Foreign Service personnel. 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 at the addresses given. Information is also available on the states' Web sites listed below.

Most 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 must have a domicile somewhere. 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 has been filing resident tax returns, 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, where his or her home leave address is, 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, unless the state of residence does not require it.

A non-resident, according to most states' definitions, is an individual who earns income sourced within 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 the metropolitan Washington area are required to pay income tax to 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.

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 while the taxpayer is outside of the state: Connecticut, Missouri, New Jersey, New York, Pennsylvania and West Virginia. The requirements are that the individual not have a permanent "place of abode" in the state, have a permanent "place of abode" outside 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.

Pennsylvania holds that "quarters provided by the government at no cost to petitioner cannot be considered as maintaining a permanent place of abode." Thus members of the Foreign Service domiciled in Pennsylvania who occupy government housing overseas must pay income tax to Pennsylvania. If they rent their own home overseas, however, they will be exempt from these taxes. AFSA has not heard 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. California, Oregon and Minnesota also have rules excusing their domiciliaries from filing a resident tax return while living outside the state.

The following list gives a state-by-state overview of the latest information available on tax liability, with addresses provided to write for further information or tax forms. Tax rates are provided where possible. For further information, please contact AFSA's Labor Management Office or the individual state tax authorities. As always, members are advised to double-check with their states' tax authorities.

James Yorke, who compiled the tax guide, would like to thank M. Bruce Hirshorn, Foreign Service Tax Counsel, for his help in preparing this article.

State Overviews

ALABAMA: Individuals domiciled in Alabama are considered 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 to 5 percent depending on income and filing status. Write: Alabama Department of Revenue, P.O. Box 327460, Montgomery, AL 36132-7460. Phone: (334) 242-1170.
E-mail: erohelpdesk@revenue.state.al.us
Web site: www.state.al.us

ALASKA: Alaska does not tax individual income, or intangible or personal property. It has no sales and use, franchise or fiduciary tax. Write: State Office Building, 333 Willoughby Ave, 11th Floor, P.O. Box 110400, Juneau, AK 99811-0400. Phone: (907) 465-2300.
Web site: www.state.ak.us/tax

ARIZONA: Individuals domiciled in Arizona are considered residents and are taxed on any income that is included in the federal AGI, regardless of their physical presence in the state. Arizona tax rate ranges from 2.87 to 5.04 percent depending on income and filing status. Write: Arizona Department of Revenue, Taxpayer Information & Assistance, P.O. Box 29086, Phoenix, AZ 85038-9086. Phone: (602) 255-3381.
E-mail: TaxpayerAssistance@revenue.state.az.us
Web site: www.revenue.state.az.us

ARKANSAS: Individuals domiciled in Arkansas are considered residents and are taxed on their entire income regardless of their physical presence in the state. The Arkansas tax rate ranges from 1 to 7 percent depending on income and filing status. For 2003, there is also a surtax of 3 percent of computed tax. Write: Department of Finance and Administration, Income Tax Forms Division, P.O. Box 3628, Little Rock, AR 72203-3628. Phone: (501) 682-1100 or 1(800) 882-9275.
Web site: www.state.ar.us/dfa/taxes

CALIFORNIA: Foreign Service employees domiciled in California must establish non-residency to avoid being liable for California taxes (see FTB Publication 1031). However, a "safe harbor" provision was introduced in 1994, which provides that anyone who is domiciled in-state but is out of the state on an employment-related contract for at least 546 consecutive days will be considered a non-resident. This applies to most FS employees and their spouses, but California residents are advised to study FTB Pub 1031 for exceptions and exemptions.

Non-residents use Form 540NR. Write: Franchise Tax Board, Tax Forms Request, P.O. Box 307, Rancho Cordova, CA 95741-0307. Phone: 1(800) 852-5711. Web site: www.ftb.ca.gov

COLORADO: Individuals domiciled in Colorado are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Colorado's tax rate is a flat 4.63 percent of federal taxable income attributable to Colorado sources. Write: Department of Revenue, Taxpayer Service Division, State Capitol Annex, 1375 Sherman St., Denver, CO 80261-0005. Phone: (303) 238-7378. E-mail: Revenue@spike.dor.state.co.us Web site: www.taxcolorado.com

CONNECTICUT: No tax liability for out-of-state income if the individual has no permanent place of abode in Connecticut, has a permanent place of abode elsewhere, and is not present in the state more than 30 days during the tax year. No tax liability for those with permanent place of abode in Connecticut who live in a foreign country 450 days out of 548 days, without spending over 90 days in Connecticut. For details of this rule, go to IP 2002(22) on the state tax Web site at www.drs.state.ct.us/formlib/2002/Pubs/IP/IP02-22.pdf. Write: Department of Revenue Services, 25 Sigourney St., Hartford, CT 06106. Phone: (860) 297-5962. Fax: (860) 297-4929. Web site: www.drs.state.ct.us/

DELAWARE: Individuals domiciled in Delaware are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Delaware's tax rate ranges from 2.2 to 5.95 percent depending on income and filing status. There is no tax on taxable income less than $2,000. Write: Division of Revenue, Taxpayers Assistance Section, State Office Building, 820 N. French St., Wilmington, DE 19801. Phone (302) 577-8200. Web site: www.state.de.us/revenue

DISTRICT OF COLUMBIA: Individuals domiciled in the District of Columbia are considered residents and are subject to tax on their entire income regardless of their physical presence there. Individuals domiciled elsewhere are also considered residents for tax purposes for the portion of any calendar year in which they are physically present in the District for 183 days or more. The District's tax rate is 5 percent if income is less than $10,000; $500 plus 7.5 percent of excess over $10,000 if between $10,000 and $30,000; and $2,000 plus 9.3 percent of excess over $30,000 if over $30,000. Write: Office of Tax and Revenue, 941 N. Capitol St., N.E., Washington, DC 20002. Phone (202) 727-4TAX. Web site: www.dccfo.com

FLORIDA: Florida does not impose personal income, inheritance or gift taxes. However, Florida taxes "intangible assets" (which include stocks, bonds, mutual funds, etc.) and real property, and imposes a sales tax and a use tax of 6 percent. Write: Tax Information Services, Florida Department of Revenue, 1379 Blountstown Highway, Tallahassee, FL 32304-2716. Phone: 1(800) 352-3671 (in Florida only) or (850) 488-6800. Web site: sun6.dms.state.fl.us/dor

GEORGIA: Individuals domiciled in Georgia are considered 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 to 6 percent depending on income and filing status. For forms write: Georgia Income Tax Forms, P.O. Box 740389, Atlanta, GA 30374-0389; fax: (404) 417-6011; or e-mail: taxforms@gatax.org. Main Phone: (404) 417-4477. E-mail: inctax@gw.rev.state.ga.us Web site: www.gatax.org

HAWAII: Individuals domiciled in

Hawaii are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Hawaii's tax rate ranges from 1.4 to 8.25 percent depending on income and filing status. Write: Oahu District Office, Taxpayer Services Branch, P.O. Box 3559, Honolulu, HI, 96811-3559. Phone: (808) 587-4242 or 1(800) 222-3229.
Web site: www.state.hi.us/tax

IDAHO: Individuals domiciled in Idaho for an entire tax year are considered residents and are subject to tax on their entire income. For the 2003 tax year Idaho's tax rate is between 1.6 and 7.8 percent depending on earned income. Idaho offers a safe-harbor provision: a resident individual who is outside Idaho for a qualifying period of time will not be considered a resident. If an individual qualifies for the safe harbor, he or she would report as a nonresident and be taxed only on income from Idaho sources. A nonresident must file an Idaho income tax return if his or her gross income from Idaho sources is $2,500 or more. To request forms write: Idaho State Tax Commission, P.O. Box 36, Boise, ID 83722-0410. Phone: 1(800) 972-7660.
Web site: www2.state.id.us/tax

ILLINOIS: Individuals domiciled in Illinois are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. The Illinois tax rate is a 3 percent flat rate, with a personal exemption for all taxpayers of $2,000. Write: Illinois Department of Revenue, Forms Division, 101 West Jefferson St., Springfield, IL 62794-9044. Phone: (217) 782-3336 or 1(800) 732-8866.
Web site: www.revenue.state.il.us

INDIANA: Individuals domiciled in Indiana are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. However, a credit is granted for any taxes paid to another state where the income was earned. Those who claim federal Foreign Tax Credit will need to submit federal form 1116 to claim it in Indiana. Indiana's tax rate remains 3.4 percent. Write: Department of Revenue, 100 N. Senate Ave., Indianapolis, IN 46204. Phone: (317) 232-2240.
Web site: www.state.in.us/dor

IOWA: Individuals domiciled in Iowa are considered residents and are subject to tax on their entire income to the extent that income is taxable on the person's federal income tax returns. Iowa's tax rate ranges from 0.36 to 8.98 percent depending on income and filing status. Write: Iowa Department of Revenue, Taxpayer Services, PO Box 10457, Des Moines, IA 50306-0457. Phone: (515) 281-3114.
Web site: www.state.ia.us/tax

KANSAS: Individuals domiciled in Kansas are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. The Kansas tax rate ranges from 3.5 to 6.45 percent depending on income and filing status. Write: Kansas Taxpayer Assistance Center, 915 SW Harrison, 1st Floor, Topeka, KS 66625-0001. Phone: (785) 368-8222.
Web site: http://www.ksrevenue.org

KENTUCKY: Individuals domiciled in Kentucky are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Kentucky's tax rate is 2 percent on the first $3,000 of taxable income, plus 3 percent on the next $1,000, plus 4 percent on the next $1,000, plus 5 percent on the next $1,000, and $3000 plus 6 percent on all income over $8,000. Write: Revenue Cabinet, P.O. Box 181, Station 56, Frankfort, KY 40602. Phone: (502) 564-4581.
Web site: revenue.state.ky.us

LOUISIANA: Individuals domiciled in Louisiana are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Resident individuals are entitled to a tax credit for income tax paid to another state on the amount of income earned in the other state and included in that state's taxable income. Louisiana's tax rate ranges from 2 to 6 percent depending on income and filing status. Write: Department of Revenue and Taxation, Forms Division, P.O. Box 201, Baton Rouge, LA 70821-0201. Phone: (225) 219-0102.
Web site: www.revenue.louisiana.gov

MAINE: Individuals domiciled in Maine are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Credit is allowed for taxes paid in another jurisdiction. Maine's tax rate ranges from 2 to 8.5 percent depending on income and filing status. Write: Maine Revenue Services, Forms Division, 24 State Office Building, Augusta, ME 04333. Phone: (207) 626-8475.
Web site: www.maine.gov/revenue

MARYLAND: Individuals domiciled in Maryland are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Individuals domiciled elsewhere are also considered residents for tax purposes for the portion of any calendar year in which they are physically present in the state for 183 consecutive days or more. Maryland's tax rate is 4.75 percent depending on income and county of residence. Baltimore City and the 23 Maryland counties also impose a local income tax, which is a percentage of the Maryland taxable income, using line 31 of Form 502 or line 9 of Form 503. The local factor varies from 0.0125 to 0.0315 depending on the subdivision of domicile. Write: Comptroller of Maryland, Revenue Administration Division, Annapolis MD 21411. Phone: (410) 260-7980 or 1(800) 638-2937.
E-mail: taxhelp@comp.state.md.us
Web site: www.marylandtaxes.com

MASSACHUSETTS: Individuals domiciled in Massachusetts are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Salaries and most interest and dividend income are taxed at 5.3 percent for Calendar Year 2003. Write: Massachusetts Department of Revenue, Taxpayer Services Division, P.O. Box 7010, Boston, MA 02204. Phone: (617) 887-MDOR or 1(800) 392-6089.
Web site: www.dor.state.ma.us

MICHIGAN: Individuals domiciled in Michigan are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Michigan's tax rate for 2003 is 4.1 percent. Forms are available on the department's Web site or can be obtained by calling 1(800) 367-6263.
E-mail: treasindtax@michigan.gov
Web site: www.michigan.gov/treasury

MINNESOTA: Individuals domiciled in Minnesota are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Minnesota exempts domiciliaries who meet the foreign earned income exclusion, even though they may be federal employees. Minnesota's tax rate ranges from 5.35 to 7.85 percent depending on income and filing status. Joint filers with taxable income of at least $28,000, where each spouse has earned pension or social security income of at least $16,000, may be eligible for a marriage credit. Write: Department of Revenue, Forms Division, Mail Station 1421, Saint Paul, MN 55146-1421. Phone: (651) 296-3781.
E-mail: indinctax@state.mn.us
Web site: www.taxes.state.mn.us

MISSISSIPPI: Individuals domiciled in Mississippi are considered residents and are subject to tax on their entire income regardless of their physical presence in the state.

Mississippi's tax rate is 3 percent on the first $5,000 of taxable income, 4 percent on the next $5,000, and 5 percent on taxable income over $10,000. Contact MSTC, PO Box 1033, Jackson, MS 39215-1033. Phone: (601) 923-7000.
Web site: www.mstc.state.ms.us

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. Missouri calculates tax on a graduated scale up to $9,000 of taxable income (TI). Any TI over $9,000 is taxed at a rate of 6 percent. File a return yearly with an attached "Statement of Non-Residency" (Form 1040C). Also use this form if you have income of more than $600 from Missouri sources. Write: Division of Support Services, P.O. Box 3022, Jefferson City, MO 65105-3022. Phone: (573) 751-3505 or 1(800) 877-6881.
E-mail: dormail@mail.dor.state.mo.us
Web site: www.dor.state.mo.us

MONTANA: Individuals domiciled in Montana are considered 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 to 11 percent depending on income and filing status. See the Web site for various deductions and exemptions. Write: Montana Department of Revenue, P.O. Box 5805, Helena, MT 59604. Phone: (406) 444-6900.
Web site: www.discoveringmontana.com/revenue

NEBRASKA: Individuals domiciled in Nebraska are considered residents and are subject to tax on their entire income regardless of their physical presence in the state, with credit allowed for tax paid to other states. Nebraska's 2003 tax rate ranges from 2.56 to 6.84 percent depending on income and filing status. For assistance write: Department of Revenue, 301 Centennial Mall South, P.O. Box 94818, Lincoln, NE 68509-4818. Phone (402) 471-5729.
Web site: www.revenue.state.ne.us

NEVADA: No personal income tax. There is a sales and use tax of between 6.5 and 7.5 percent, depending on the county, and an ad valorem personal and real property tax. Write: Nevada Department of Taxation, 1550 E. College Pkwy, Suite 100, Carson City NV 89706. Phone: (775) 687-4892.
Web site: www.tax.state.nv.us

NEW HAMPSHIRE: No personal income tax on earned income, and no general sales tax. There is a 5 percent tax on interest and dividend income, 8.5 percent on business profits including sale of rental property. Applicable taxes apply to part-year residents. Write: Taxpayer Assistance Office, 45 Chenell Drive, P.O. Box 2072, Concord, NH 03302-2072. Phone: (603) 271-2186.
Web site: www.state.nh.us/revenue

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. Tax liability is calculated as a variable lump sum plus a percentage between 1.4 and 6.4 percent of taxable income. For information write: State of New Jersey, New Jersey Division of Taxation, Office of Information and Publications, PO Box 281, Trenton, NJ 08695-0281. Phone: (609) 292-6400.
Web site: www.state.nj.us/treasury/taxation

NEW MEXICO: Individuals domiciled in New Mexico are considered residents and are subject to tax on their entire income, insofar as that income is taxable federally, regardless of their physical presence in the state. Persons physically present in New

Mexico for at least 185 days are residents for income tax purposes. The 185 days need not be consecutive. The basis for New Mexico's calculations is the Federal Adjusted Gross Income (FAGI). New Mexico has a graduated rate table with six brackets ranging from 1.7 to 7.7 percent based upon New Mexico taxable income and filing status. The top bracket drops in annual increments until it reaches 4.9 percent for tax year 2007. Write: New Mexico Taxation and Revenue Department, Tax Information and Policy Office, 1100 St. Francis Drive, P.O. Box 630, Santa Fe, NM 87504-0630. Phone: (505) 827-0700.
Web site: www.state.nm.us/tax

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. Highest tax rate in New York State is 7.7 per cent and in New York City it is 4.45 per cent. Filing is required on Form IT-203 for revenue derived from New York sources. Write: NYS Department of Taxation and Finance, Taxpayer Assistance Center, W.A. Harriman Campus, Albany, NY 12227. Phone: 1(800) 225-5829.
Web site: www.nystax.gov

NORTH CAROLINA: Individuals domiciled in North Carolina are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. The tax rate ranges from 6 to 8.25 percent depending on income and filing status. North Carolina also imposes a "use tax" on purchases made outside the state for use in North Carolina. Write: Department of Revenue, P.O. Box 25000, Raleigh, NC 27640. Phone: (919) 733-4684.
Web site: www.dor.state.nc.us

NORTH DAKOTA: Individuals domiciled in North Dakota are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Tax rates vary according to income and whether the standard method (Form ND-1) or the optional method (Form ND-2) is used. Write: Office of State Tax Commissioner, State Capitol, 600 E. Boulevard Avenue, Bismarck, ND 58505-0599. Phone: (701) 328-2770.
Web site: www.ndtaxdepartment.com

OHIO: Individuals domiciled in Ohio are considered residents and their income is subject to tax, using their Federal Adjusted Gross Income figure as a starting base. Ohio residents are given a tax credit to reduce the Ohio tax due if another state or the District of Columbia taxed part or all of their income. Ohio part-year residents are allowed a tax credit for income not earned or received in Ohio for the period of time they resided in another state. Ohio's tax rate ranges from 0.743 to 7.5 percent depending on income and filing status. Write: Ohio Department of Taxation, Taxpayer Contact Center, P.O. Box 182382, Columbus, OH 43218-2382. Phone: 1(800) 282-1780.
Web site: www.ohio.gov/tax

OKLAHOMA: Individuals 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. Write: Oklahoma Tax Commission, Taxpayer Services Division, 2501 Lincoln Blvd., Oklahoma City, OK 73194-0009. Phone: (405) 521-3160.
Web site: www.oktax.state.ok.us

OREGON: Individuals domiciled in Oregon are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. However, under a 1999 law, Oregon exempts domiciliaries who meet the foreign residence requirement for the foreign earned income exclusion, even though they may be federal employees. Oregon's tax rates range from 5 to 9 percent of taxable income. Rather than raise the maximum tax rate, the Oregon legislature instituted a temporary tax surcharge, computed on the tax liability after most credits. The rate is progressive up to 9 percent on joint federal AGI of $240,000 or more ($120,000 for single filers). Since this is is not yet finalized as we go to press, refer to the Oregon Web site for the latest information on this possible surcharge, or write: Oregon Department of Revenue, 955 Center Street N.E., Salem, OR 97301-2555. Phone: (503) 378-4988.
Web site: www.dor.state.or.us

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. File Form PA40 for all income derived from Pennsylvania sources. Pennsylvania does not consider government quarters overseas to be a "permanent place of abode elsewhere," so Foreign Service Pennsylvania residents abroad in government quarters must continue to pay Pennsylvania income tax. Pennsylvania's tax rate is a flat 2.8 percent. Write: Commonwealth of Pennsylvania, Department of Revenue, Taxpayer Services Department, Harrisburg, PA 17128-1061. Phone: (717) 787-8201.
E-mail: parev@state.pa.us
Web site: www.revenue.state.pa.us

PUERTO RICO: Individuals who are domiciled in Puerto Rico are considered residents and are subject to tax on their entire income regardless of their physical presence in the commonwealth. Normally, they may claim a credit with certain limitations, for income taxes paid to the United Stat es on income from sources outside Puerto Rico, for any federal taxes paid. Write: Departamento de Hacienda, P.O. Box 9024140, San Juan, PR 00902-4140. Phone: General Inquiries: (787) 721-2020, ext. 3611 or 1(800) 981-9236.
E-mail: support@hacienda.gobierno.pr
Web site: www.hacienda.gobierno.pr

RHODE ISLAND: Individuals domiciled in Rhode Island are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Although Rhode Island tax is now being calculated based on the federal tax income, it will still be very generally about 25 percent of the federal tax liability. Please refer to the tax division's Web site not only for current information and handy filing hints but also for forms and regulations to download. Additional assistance can be obtained over the phone between 8:30 a.m. and 4 p.m. EST. Phone (401) 222-1040 and select option #3 from the menu of choices. Write: Rhode Island Division of Taxation, Taxpayer Assistance Section, One Capitol Hill, Providence, RI 02908-5801.
Web site: www.tax.state.ri.us

SOUTH CAROLINA: Individuals 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 imposes a graduated tax ranging from 2.5 percent on the first $2,500, up to 7 percent for income over $12,500. Write: South Carolina Tax Commission, Forms Division, 301 Gervais Street, P.O. Box 125, Columbia, SC 29214. Phone: 1(800) 763-1295.
E-mail: iitax@sctax.org
Web site: www.sctax.org

SOUTH DAKOTA: No state income tax. Property and sales taxes vary depending on city and/or county. Write: South Dakota Dept of Revenue, 445 E. Capitol Ave., Pierre, SD 57501-3185. Phone: 1(800) 829-9188.
Web site: www.state.sd.us/revenue

TENNESSEE: Salaries and wages are not subject to Tennessee income tax, but Tennessee imposes a 6 percent tax on dividends and certain types of interest income received by Tennessee residents. Write: Department of Revenue, Andrew Jackson State Office Building, Nashville, TN 37242. Phone: (615) 253-0600.
Web site: www.state.tn.us/revenue

TEXAS: No state income tax. Write: Tax Policy Division, Comptroller of Public Accounts, P.O. Box 13528, Capitol Station, Austin, TX 78711-3528. Phone: 1(800) 252-5555.
E-mail: tax.help@cpa.state.tx.us
Web site: www.window.state.tx.us

UTAH: Individuals domiciled in Utah are considered residents and are subject to Utah state tax. Utah requires that all federal adjusted gross income reported on the federal return be reported on the state return regardless of the taxpayer's physical presence in the state. Utah's highest tax rate is 7 percent. Write: Utah State Tax Commission, Taxpayer Services Division, 210 North 1950 West, Salt Lake City, UT 84134. Phone: (801) 297-2200 or 1(800) 662-4335.
E-mail: taxmaster@utah.gov
Web site: http://tax.utah.gov

VERMONT: Individuals domiciled in Vermont are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Tax rates should be obtained from the tax tables in the Vermont income tax booklet or from the Vermont Web site. Write: Vermont Department of Taxes, Taxpayer Services Division, Pavilion Office Building, Montpelier, VT 05609-1401. Phone: (802) 828-2865.
E-mail: vttaxdept@tax.state.vt.us
Web site: www.state.vt.us/tax

VIRGINIA: Individuals domiciled in Virginia are considered residents and are subject to tax on their entire income regardless of their physical presence in the state. Individuals domiciled elsewhere are also considered residents for tax purposes for the portion of any calendar year in which they are physically present in the state for 183 days or more. Individual tax rates are: 2 percent if taxable income (TI) is less than $3,000; $60 plus 3 percent of excess over $3,000 if TI is between $3,000 and $5,000; $120 plus 5 percent of excess over $5,000 if TI is between $5,000 and $17,000; and $720 plus 5.75 percent of TI over $17,000. Write: Department of Taxation, Ofice of Customer Services, P.O. Box 1115, Richmond, VA 23218-1115. Phone (804) 367-8031.
E-mail: tax-indivrtn@state.va.us
Web site: www.tax.state.va.us

WASHINGTON: No state income tax. No tax on intangibles such as bank accounts, stocks and bonds. Address: Washington Department of Revenue, General Administration Building, P.O. Box 47450, Olympia, WA 98504-7450. Phone: (360) 786-6100 or 1(800) 647-7706.
Web site: www.dor.wa.gov

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 is recommended to preserve domicile status. Filing is required on form IT-140-NR for all income derived from West Virginia sources. Tax rates range from 3 to 6.5 percent depending on income and filing status. Write: The Department of Tax and Revenue, Taxpayer Services Division, P.O. Box 3784, Charleston, WV 25337-3784. Phone: (304) 558-3333 or 1(800) 982-8297.
Web site: www.state.wv.us/taxdiv

WISCONSIN: Individuals domiciled in Wisconsin are considered residents and are subject to tax on their entire income regardless of where the income is earned. Wisconsin's current tax rate ranges from 4.6 to 6.75 percent depending on income and filing status. Write: Wisconsin Department of Revenue, Customer Service and Education Bureau, P.O. Box 8949, Madison, WI 53708-8949. Phone: (608) 266-2772.
Web site: www.dor.state.wi.us

WYOMING: No state income tax. No tax on intangibles such as bank accounts, stocks or bonds. Write: Wyoming Department of Revenue, Herschler Building, 122 West 25th St., Cheyenne, WY 82002-0110. Phone: (307) 777-7961.
E-mail: dor@state.wy.us
Web site: revenue.state.wy.us

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. Idaho taxes Foreign Service annuities while exempting certain portions of those of the Civil Service.

ALABAMA: Full exemption. Federal pensions are not taxable.

ALASKA: No personal income tax.

ARIZONA: Up to $2,500 of U.S. government pension income may be excluded for each taxpayer.

ARKANSAS: Up to $6,000 exempt.

CALIFORNIA: Fully taxable.

COLORADO: Up to $24,000 exempt if age 65 or over. Up to $20,000 exempt if age 55 to 64.

CONNECTICUT: Fully taxable for residents.

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 for those 60 years or older or totally disabled. 2) If under age 60, the amount of the exclusion is $2,000 or the amount of the pension (whichever is less) and for age 60 or older, the amount of the exclusion is $12,500 or the amount of the pension and eligible retirement income (ERI) whichever is less. The combined total of pension and ERI may not exceed $12,500 per person age 60 or older.

DISTRICT OF COLUMBIA: Pension or annuity exclusion of $3,000 if 62 years or older.

FLORIDA: No personal income, inheritance, or gift tax, but Florida has an "Intangibles Tax."

GEORGIA: Up to $14,500 exempt for those 62 years or older or permanently and totally disabled for the 2002 tax year, rising to $15,000 for the 2003 tax year.

HAWAII: Pension and annuity distributions from a government pension plan are not taxed in Hawaii.

IDAHO: Foreign Service retirees whose annuities are paid from the FSPS are fully taxed on their pensions. Those persons retired under the Civil Service Retirement Act are exempt up to $20,892 for a single return and up to $31,338 if filing jointly. Up to $20,892 is exempt for the 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.

ILLINOIS: Full exemption; U.S. government pensions are not taxed.

INDIANA: Up to $2,000 exemption for most 62 or older, reduced dollar for dollar by Social Security benefits.

IOWA: Fully taxable. However, there is a pension/retirement income exclusion of up to $6,000 for individuals and up to $12,000 for married taxpayers who are disabled or are 55 years of age or older, a surviving spouse or a survivor having an insurable interest in an individual who would have qualified for the exclusion in the tax year on the basis of age or disability. The same income tax rates apply to annuities as other incomes.

KANSAS: Full exemption; U.S. government pensions are not taxed.

KENTUCKY: Government pensions attributable to service before Jan. 1, 1998, are not taxed. The portion of annuity income attributable to service after Dec. 31, 1997, is subject to tax at the appropriate rate, but is eligible for the pension exclusion of up to $39,400 in 2003 (up from $38,775 in 2002).

LOUISIANA: Up to $6,000 exempt if 65 years or older and $12,000 exempt if both filers are annuitants over age 65.

MAINE: Recipients of a government-sponsored pension or annuity may deduct up to $6,000 on income that is included in their federal AGI, reduced by all Social Security and railroad benefits.

MARYLAND: For individuals 65 years or older or permanently disabled, or if their spouse is permanently disabled, all pensions may be excluded up to a maximum of $19,900 under certain conditions. Eligibility determination is required. Social Security is not taxed. See the worksheet and instructions to Maryland Form 502.

MASSACHUSETTS: Full exemption; U.S. government contributory pensions are not taxed.

MICHIGAN: Federal government pensions may be deducted from Michigan taxable income to the extent included in federal AGI. Retirement benefits from private sources may be deducted to a maximum of $37,110 for a single filer or $74,220 for joint filers for the 2003 tax year. This maximum is reduced by the deduction taken for the government pension.

MINNESOTA: Certain people over 65 with incomes under $42,000 may be eligible for a "subtraction." The maximum subtraction is $12,000 for married filing jointly and $6,000 for singles, which is reduced dollar for dollar by untaxed Social Security benefits, and by one dollar for each two dollars of income over $18,000 for married filing jointly and $14,500 for singles. The marriage credit also applies to annuity and pension recipients.

MISSISSIPPI: Full exemption; U.S. government pensions and annuities are not taxed.

MISSOURI: Up to $6,000 exempt if the pension income is less than $32,000 when married filing jointly, $16,000 if married filing separately, or $25,000 for a single or head-of-household filer.

MONTANA: $3,600 pension income exclusion if federal adjusted gross income is less than $30,000. Pension income exclusion reduced for income levels above $30,000 with no exclusion if federal adjusted gross income is greater than $31,800 for single taxpayer and $33,600 if married filing a joint return and both spouses have pension income.

NEBRASKA: Fully taxable.

NEVADA: No personal income tax.

NEW HAMPSHIRE: No personal income tax; federal pensions are not taxed.

NEW JERSEY: Pensions and annuities from civilian government service are subject to state income tax with exemptions for those who are age 62 or older, or totally and permanently disabled. Singles and heads of households can exclude up to $13,125; married filing jointly up to $17,500; married filing separately up to $8,750 each.

NEW MEXICO: All pensions and annuities of New Mexico residents, if taxable federally, are fully taxed as part of Federal Adjusted Gross Income.

NEW YORK: Full exemption; U.S. government pensions and annuities are not taxed.

NORTH CAROLINA: Pursuant to the "Bailey" decision, government retirement benefits received by federal retirees who had 5 years of creditable service in a federal retirement system on Aug. 12, 1989, are exempt from North Carolina income tax. Those who do not have five years of creditable service on Aug. 12, 1989, must pay North Carolina tax on their federal annuities. Up to $4,000 of any federal annuity income is exempt.

NORTH DAKOTA: All pensions and annuities are fully taxed, except first $5,000, which is exempt less any Social Security payments, but only if the individual chooses to use Form ND-2 (optional method). Individuals are cautioned to check both Form ND-1 and Form ND-2 to ascertain which one yields the lowest tax for the year. Qualifying for the exclusion does not mean that Form ND-2 is the better form to choose.

OHIO: Taxpayers 65 and over may take a $50 credit per return. In addition, Ohio gives a tax credit based on the amount of the retirement income included in Ohio Adjusted Gross Income, reaching a maximum of $200 for any retirement income over $8,000.

OKLAHOMA: Up to $5,500 exempt on all federal pensions.

OREGON: Generally, all retirement income is subject to Oregon tax when received by an Oregon resident. This includes non-Oregon source retirement income. However, federal retirees who retired on or before Oct. 1, 1991, may exempt all of their federal pension; those who worked both before and after Oct. 1, 1991, must prorate their exemption using the instructions in the tax booklet. Oregon-source retirement income received by nonresidents who are not domiciled in Oregon is not subject to taxation by Oregon.

PENNSYLVANIA: Government pensions and social security are not subject to personal income tax.

PUERTO RICO: The first $8,000 of income received from a federal pension can be excluded for individuals under 60. Over 60 the exclusion is $11,000. If the individual receives more than one federal pension, the exclusion applies to each pension or annuity separately.

RHODE ISLAND: Fully taxable; no exemptions available.

SOUTH CAROLINA: Individuals under age 65 can claim a $3,000 deduction of qualified retirement income; those 65 years of age or over can claim a $10,000 deduction of qualified retirement income. A resident of South Carolina who is 65 years or older may claim a $15,000 deduction against any type of income, but must reduce the $15,000 by any retirement deduction claimed.

SOUTH DAKOTA: No personal income tax.

TENNESSEE: Social security and pension income is not subject to personal income tax.

TEXAS: No personal income tax.

UTAH: Individuals under age 65 may take a $4,800 exemption. However, the deduction is reduced $.50 for every $1.00 that the federal adjusted gross income exceeds $32,000 (married filing jointly) or $25,000 (single). Over 65 years of age a $7,500 exemption may be taken for each individual. However, the exemption is reduced $.50 for every $1.00 that federal adjusted gross income exceeds $32,000 (married filing jointly) or $25,000 (single).

VERMONT: Fully taxable.

VIRGINIA: Individuals over age 65 can take a $12,000 deduction; those age 62 to 64, $6,000. All taxpayers receive an additional personal exemption of $800.

WASHINGTON: No personal income tax.

WEST VIRGINIA: Up to $8,000 of income received from any source is exempt if 65 years or older.

WISCONSIN: Pensions and annuities are fully taxable. However, benefits received from a federal retirement system account established before Dec. 31, 1963, are not taxable.

WYOMING: No personal income tax. □

AFSANEWSBRIEFS

Successful Year for the AFSA-PAC

During 2003, AFSA-PAC raised $37,944, up from $31,184 in 2002. In 2003, AFSA-PAC made contributions totaling $33,000, equally divided between Republicans and Democrats.

Foreign Service Retirees to Gather in Key West

The Foreign Service Retirees Association of Florida is planning a big Foreign Service weekend reunion in Key West, Fla. The reunion will be held at the Key West Holiday Inn Beachside (305-294-2571) from May 7 to 9. All Foreign Service retiree groups along the East Coast — Maryland, Virginia, West Virginia, North Carolina, South Carolina, and New England — are invited to attend.

FSRAF is organizing an event for May 8 at the Truman White House on Key West. Attendees will be received by the management of the Truman Museum and given a welcoming speech on President Truman. This will be followed by a guided tour of the museum. That evening there will be a dinner at the hotel, followed by a speech by Under Secretary of State for Political Affairs Marc Grossman.

Members of the FSRAF encourage friends and colleagues along the East Coast to get away from the snow and ice and come on down to sunny Florida. For more information, contact FSRAF Chair Irwin Rubenstein at irer@mindspring.com.

Outstanding Travel Advance?

AFSA suggests that you check your records to see if you have an outstanding travel advance. During a recent meeting, Resource Management told AFSA that there were about 5,000 outstanding travel advances, of which some 4,000 had been outstanding for more than one year. The travel voucher processing branch of RM is moving to Charleston in the middle of 2004. They are working on clearing all outstanding advances before the move. This means that many employees will soon receive letters about outstanding advances. Be prepared to document the status of your advance. AFSA reminds all members to keep paperwork related to travel in case a problem arises.

Tales from a Small Planet Close to Meeting Cox Challenge

This popular Web site for expats — originally started by Francesca Kelly and Fritz Galt as the Spouses' Underground Newsletter (SUN) — provides Real Post Reports, first-person accounts of "what it's really like" to live in more than 200 cities worldwide, as well as literary offerings from around the world.

Tales was awarded a grant from the Una Chapman Cox Foundation in 2003. A $5,000 portion of the grant is contingent on the non-profit raising the same amount by June 2004. Donations are critical to the long-term success of this site, run by Foreign Service family members. More than $4,000 has been raised to date. Help *Tales* meet the challenge and reach $5,000 and beyond! Send tax-deductible donations to Tales from a Small Planet, P.O. Box 6777, Jackson, WY 83002. For more information, go to www.talesmag.com.

Life in the Foreign Service

■ BY BRIAN AGGELER, FOREIGN SERVICE OFFICER

"IS IT JUST ME, OR ARE YOU HAVING TROUBLE FOLLOWING THESE NEW POSITION PAPERS?"

Overtime Rate Calculation Changes

A provision of the Defense Authorization Bill for Fiscal Year 2004 changes the hourly rate payable for Title 5 overtime, effective Nov. 24, 2003. This is the legislation regulating overtime payments and comp time for specialists and untenured generalists overseas. The change affects only the payable rate for overtime hours worked; all other rules and caps remain the same. In the past, overtime pay was capped at 150 percent of the hourly rate for a GS-10, Step 1 ($28.11 without locality pay for 2003). As of Nov. 24, 2003, overtime paid is either the employee's hourly rate or 150 percent of the hourly rate for a GS-10/1, whichever is greater.

Correction

In the October *AFSA News*, the recipient of the Elizabeth Berger Memorial Scholarship was listed as Khristian Lopez. In fact, Joshua Lanzet, a freshman at George Washington University, received the award.

CLASSIFIEDS

PROFESSIONAL SERVICES

SEEKING RETIRED FSOs. Government contracting firm in Maryland is seeking recently retired USAID Foreign Service Officers in such personnel categories as executive management, health, population & nutrition, and program and project development to serve as coaches available to train, support and guide new Foreign Service employees in their career training, and to troubleshoot specific areas in their development that may need additional attention. These are flexible, part-time positions to begin approximately March 1, 2004, normally working 20 hours per week or less, and require no travel. Please submit your resume and salary requirements to: FSO Recruiter, 12520 Prosperity Drive, Suite 300, Silver Spring, MD 20904 - No phone calls please.

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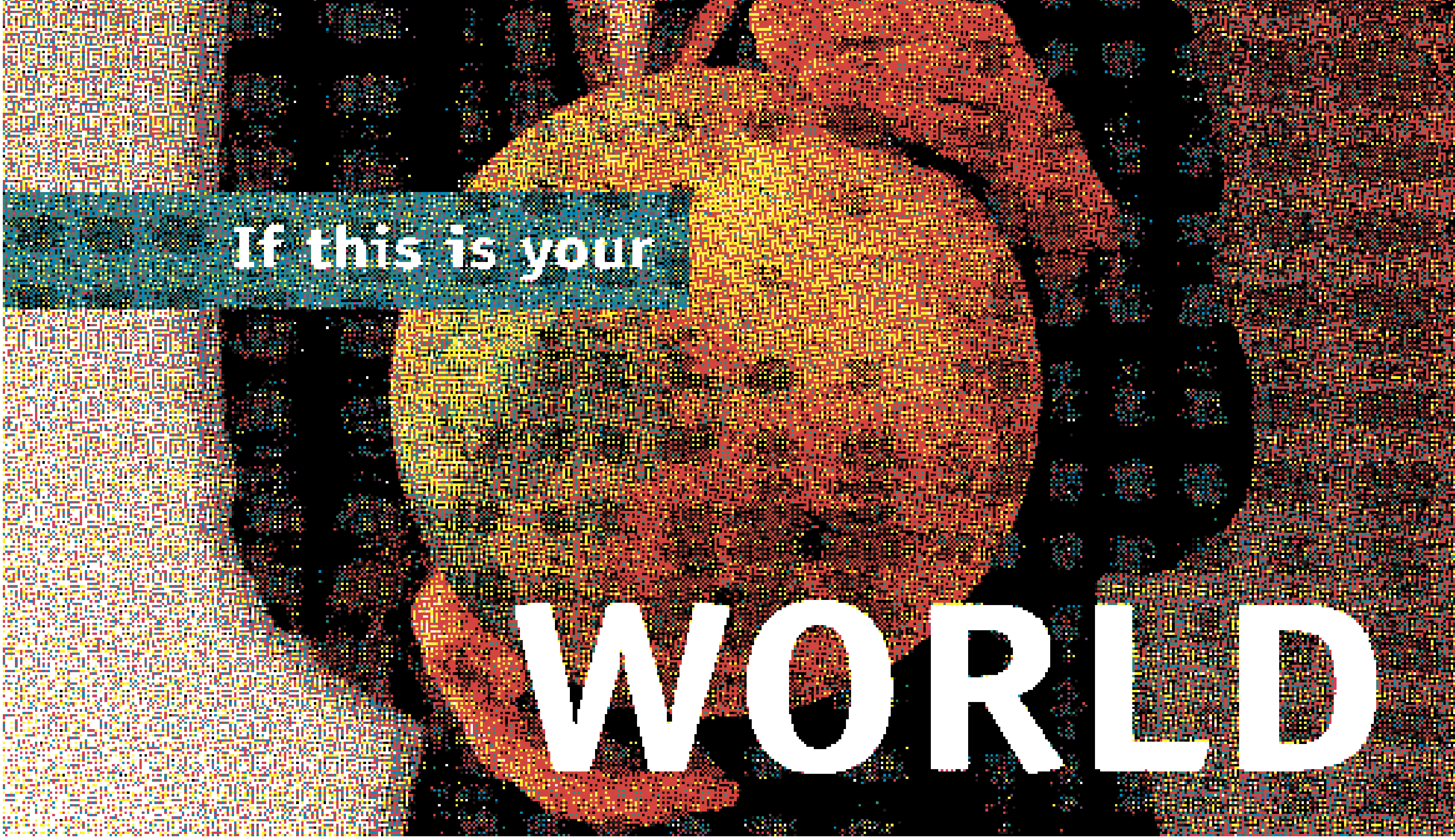

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