

**FOREIGN POLICY & DEFENSE**

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such international organizations as Amnesty International or the Red Cross. Where they fall short is in their ability to identify political prisoners and gather other information. Through an intermediary, the United States and other Western nations could supply crucial information to these agencies from embassies and intelligence operations.

"By recognizing the constraints under which we act," Wrage concludes, "and by giving the larger goal of maintaining world order priority over ending oppression, we are likely to do better by ourselves, by world order, and by the oppressed."

### *Do Diplomats Really Matter?*

"The U.S. Ambassador" by James W. Spain, in *The Washington Quarterly* (Spring 1983), Dept. 8010, Transaction Periodicals Consortium, P.O. Box 1262, Rutgers Univ., New Brunswick, N.J. 08903.

Despite high-level summit meetings, jet travel, and instant telephone communications, the United States still relies on its traditional network of ambassadors to get most things done abroad.

Indeed, suggests Spain, former U.S. envoy to Tanzania and Turkey, in some ways the importance of ambassadors has grown. They help promote American exports and set trade policy. They shape and administer U.S. economic and military aid programs in their host countries. Even "our man in Kigali" (Rwanda) presides over \$4.5 million in U.S. development funds and \$1.5 million in military assistance. Ambassadors, Spain notes, must be well versed even on "the relative merits of F-4, F-5, F-15, F-16, and F-18 fighter aircraft." Finally, ambassadors are responsible for such delicate matters as negotiating basing rights for the Rapid Deployment Force and interpreting existing treaties.

Washington officials can't match the professional diplomat's on-the-scene experience and personal contacts with foreign governments. And unlike State Department bureaucrats, an ambassador is "master in his own house" and can act quickly. While Washington makes basic policy choices, ambassadors can influence them through their reports and opinions. They also possess an ultimate weapon in policy disputes: the power to cause a public brouhaha by resigning in protest.

The diplomatic corps is not flawless, writes Spain. Arrogance and "clientitis"—an exaggerated sense of the importance of the country they are posted to—afflict many diplomats. Political appointees often view their posts as an "extended vacation abroad."

More sophisticated Senate scrutiny of White House ambassadorial nominees, instead of today's "rubber-stamp" approach, could remedy such defects, Spain says. So could review panels modeled on bar association procedures for judicial candidates. Cutting down on the number of political appointees (52 of today's 140 envoys) would also help.

To correct career Foreign Service officers' insularity and "clientitis," he adds, assignments should be made on the basis of performance, not

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seniority. Overseas experience should be stressed over Foggy Bottom desk service, and those U.S. diplomats in Washington should be encouraged to circulate outside Embassy Row—e.g., among business and labor groups, farmers, politicians.

Presidents and secretaries of state make big headlines jetting abroad to sign treaties, Spain observes. But there is no substitute for having a good man or woman on the scene to tidy up the morning after.

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**ECONOMICS, LABOR & BUSINESS**


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### *The Lure of Export Subsidies*

"Fighting Fire with Fire" by Alan Murray, in *Congressional Quarterly Weekly Report* (Feb. 19, 1983), 1414 22nd St. N.W., Washington, D.C. 20037.

Rising protectionism in world markets and sizable job losses at home are making it more and more difficult for Congress to abide by the principles of free trade. Advocates of a "fight fire with fire" strategy are winning new support on Capitol Hill for at least one countermeasure, a big boost in federal export subsidies.

Exports are becoming increasingly crucial to the national economy, notes Murray, a *Congressional Quarterly* reporter. During the 1970s, U.S. overseas sales doubled, to \$216 billion, with wheat and heavy machinery in the lead. Such sales accounted for 80 percent (850,000) of the new jobs created in America between 1977 and 1980; more than one million jobs have since been lost due to declining trade.

The subsidies in question take the form of low-interest loans or loan guarantees that encourage overseas customers to buy American goods. Through the federally chartered Export-Import Bank, Washington already subsidizes 13 percent of U.S. manufactured exports—chiefly "big ticket" items such as passenger jets and nuclear power plants. But other governments do far more: In 1980, France subsidized 25 percent of its manufactured exports, Japan 42 percent, and Britain 51 percent.

Some export-minded legislators, notably Senator John Heinz (R.-Pa.), want to raise the bank's loan authority from the current level—\$4.4 billion for direct financing and \$9 billion for loan guarantees. Others seek to alter a provision in the bank's charter that requires it to be self-supporting and thus forces it to offer interest rates that are sometimes nearly five percentage points higher than those of competing foreign governments. Still others want to enlarge a new Ex-Im Bank program to provide more subsidies for smaller exporters.

Export subsidies appear to be a cheap way to create jobs at home. But not everybody in Washington agrees. Reagan administration economists argue that artificially boosting exports will also increase overseas demand for the dollars to pay for them. As the dollar grows stronger, U.S. goods will become more expensive for foreign customers;