



CYBERNOTES

Investment in Iran: Diplomatic Leverage?

The latest unilateral U.S. sanctions against Iran, announced Oct. 25 by Secretary of State Condoleezza Rice and Treasury Secretary Henry Paulson at a joint press conference at the State Department, are, in Rice's words, part of a "comprehensive policy to confront the threatening behavior of the Iranians." Washington remains open, she added, to a diplomatic solution.

The harshest American action against Iran since the 1979 seizure of Embassy Tehran, the sanctions are designed to isolate the Revolutionary Guard, a large and critical part of Iran's military establishment, and anyone who does business with it. The guards have grown to play a dominant role in the country's economy, most recently in the oil and gas industry.

What the sanctions will accomplish remains to be seen. At hearings convened by the House Committee on Foreign Affairs' Subcommittee on the Middle East and South Asia on Oct. 23, the problems the policy faces were discussed — including the fact that its success rests on persuading others to join the boycott (<http://foreignaffairs.house.gov/testimony.asp?pg=2>). The opposition of Russia and China, hesitation of Europe and paralysis of the U.N. Security Council are additional obstacles.

"This is a frustrating and uncertain policy course: but it is far better than the alternatives of acquiescence or war," concludes Philip H. Gordon of the Brookings Institution in his detailed testimony (www.brookings.edu/testimony/2007/1023iran.aspx).

To get an idea of just what the sanctions involve, readers can consult *Global Investment In Iran: Interactive*, a Web tool developed at the American Enterprise Institute to assess foreign investment in Iran (www.aei.org/IranInteractive).

For additional background on the policy, see the Council on Foreign Relations (www.cfr.org/publication/12742/century_foundation.html).

— Susan Brady Maitra,
Senior Editor

Going Native: Retiring Abroad

More than 160 million U.S. citizens are expected to retire over the next 30 years, and exotic cultures, climates and locations offer enticing prospects for them. So does the often-lower cost of living, which allows retirees to maximize nest eggs

by easing the burden of soaring U.S. health care, housing and energy costs. Moving abroad can also make early retirement a viable choice. Many Foreign Service retirees, already familiar with living abroad, find the idea of settling abroad particularly appealing.

The State Department estimates that 6.6 million American citizens (excluding the military) live abroad. But it is difficult to determine how many of them are retirees because neither the Census Bureau nor the State Department keeps track of that. The Social Security Administration reports that in 2005, about 442,000 individuals received Social Security payments while abroad. It doesn't, however, count those who may live abroad but collect their benefits at U.S. addresses.

There can, of course, be challenges. Retirees may find themselves at the mercy of local exchange rates: if the dollar dives, so does their spending power. Health care can also be a challenge. Retirees on Medicare have to travel back to the States to have their treatment covered, though overseas health insurance is available. In Mexico, for example, private insurance offers several options designed especially for expatriates, but the quality of care varies, with better equipment and specialists more readily available in the larger cities.

Overseas retirement may also benefit local economic development. As Walter Russell Mead argues, senior citizens retiring south of the border may "help our Latin American neighbors make the transition to First World prosperity much more rapidly

We got a leader in Iran who has announced that he wants to destroy Israel. So I've told people that if you're interested in avoiding World War III, it seems like you ought to be interested in preventing them from having the knowledge necessary to make a nuclear weapon.

— Pres. George W. Bush, at his Oct. 17 press conference, <http://www.whitehouse.gov/news/releases/2007/10/20071017.html>



than even most optimists dare to hope.” He also asserts that it will “reduce the Medicare deficits that pose an even greater threat to the long-term fiscal health of the U.S. Treasury than Social Security.”

Moving abroad does not mean expatriates lose a say on issues that affect them. The Association of Americans Resident Overseas, a nonpartisan association representing members in 21 countries urges Congress to take into account the contributions, needs and issues of Americans abroad (www.aaro.org). AARO is currently working to secure Medicare coverage for eligible Americans residing overseas.

Without language fluency or family connections to their new country, retirees may find integrating themselves into local communities difficult. Fortunately, however, many cities have large expat communities. The Internet has made it easier for expats to stay in touch with family and connect with other Americans abroad. *Expat Communities* (www.expattcommunities.com), a directory including more than 100 countries, provides links to expatriate organizations, online forums and local

newspapers. Online classified ads feature real estate, financial services, language lessons and domestic help (see www.expatriates.com).

Guides are also available on foreign residency requirements, property laws and security concerns — for example, www.liveabroad.com.

— Marc Nielsen, Editorial Intern

Burma: An Olympic Challenge

Aug. 8, 2008, will mark the start of the Beijing Olympic Games, almost exactly 20 years to the day after the Burmese military junta put down student-led protests, killing more than 1,000 people. The September demonstrations in Burma (renamed Myanmar by the junta) brought world attention to the isolated country and prompted calls for Chinese intervention.

What started out as a protest over increased fuel prices grew into nationwide marches calling for national reconciliation. Thousands of Burmese took to the streets, emboldened by maroon-clad monks demanding regime change. The ensuing military crackdown was reminiscent of 1988, when at least 1,000 protesters were killed and

thousands imprisoned — most notably, opposition leader Daw Aung San Suu Kyi, the 1991 Nobel Peace Prize laureate.

So far, the regime has arrested more than 3,000 protesters and admitted to killing 10, but diplomats and dissidents say many more have died. Students and activists used e-mail, blogs and cell-phone cameras to document military actions until the government cut telephone lines and blocked Internet and e-mail access.

But using high-resolution satellite images, the American Association for the Advancement of Science has confirmed field reports of destroyed villages, forced relocations and a growing military presence (the full report can be accessed at www.aaas.org/news/releases/2007/media/0928burma_report.pdf).

Following the September visit of the U.N.’s special envoy, Ibrahim Gambari, the Security Council officially deplored the junta’s use of violence and called for the release of all political prisoners, urging the government to engage opposition parties in dialog (www.un.org/News/Press/docs/2007/sc9139.doc.htm).

Reiterating its commitment to non-interference, Beijing threatened to veto any sanctions against the regime. The junta’s largest trading partner, China aims to ensure access to the country’s timber, oil, gas reserves and precious stones. Beijing also relies on the junta for access to the Bay of Bengal and the Andaman Sea — which the Chinese military monitors. In addition to unwavering diplomatic support, the PRC’s ties to the junta have been strengthened with billions of dollars in investment, trade and weapons sales.

In an attempt to counter Chinese influence, India has provided the junta with light artillery, tanks, reconnaissance aircraft and small arms. Currently Burma’s fourth-largest trad-

Site of the Month: www.opensecrets.org

The 2008 candidates seeking to become president have raised record amounts of money, and the race seems on track to reach an unprecedented \$1 billion total. While trying to determine where the candidates stand on an issue can be difficult, finding out their bottom line just got easier.

Opensecrets.org conducts computer-based research on campaign finance issues with the aim of creating a more educated voter, an involved citizenry and a more responsive government. The organization compiles political contributions from more than 80 different industries and provides financial data for congressional, senatorial and presidential races.

A project of the Center for Responsive Politics, *opensecrets.org* is a nonpartisan, nonprofit group. Based in Washington D.C., CRP is funded by the Pew Charitable Trusts, the Carnegie Corporation of New York, foundation grants and individual contributions. It does not accept money from corporations, labor unions, political parties or other interest groups.

— Marc Nielsen, Editorial Intern



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ing partner, India also plans to build a road network through the country that would increase trade with the other Southeast Asian nations.

Despite the lack of progress since Burma's admission to ASEAN in 1997, and the negative publicity generated by the protests on its 40th anniversary, ASEAN, like India, continues to oppose sanctions. The association is concerned it will lose access to Burma's natural resources and push the regime further into China's orbit.

While Japan has cut economic assistance, and the U.S. and European Union have imposed new sanctions on the junta, others see China as the key player. "This regime has survived to this day because of Chinese government support — financial, diplomatic and military," says Aung Din, co-founder of the U.S. Campaign for Burma (www.uscampaignforburma.org), a grassroots organization that is calling for the world to boycott the 2008 Beijing Olympics.

The E.U. countries are also calling for a boycott of the Beijing Games. "The Olympics is the only real lever we have to make China act. The civilized world must seriously consider shunning China by using the Beijing Olympics to send the clear

message that such abuses of human rights are not acceptable," Vice President of the European Parliament Edward McMillan-Scott told Reuters.


Rep. Dana Rohrabacher, R-Calif., has introduced a resolution in the House, calling for the U.S. government to boycott the Olympics (www.govtrack.us/congress/billtext.xpd?bill=hr110-610). In August, two other House bills were introduced calling for an Olympic boycott, but many lawmakers have expressed caution, saying a pullout will do more to punish athletes than censure China.

In September, Pres. Bush accepted an invitation from President Hu Jintao to attend the Games; but aides said he will do so as a sports fan, not to make a political statement.

For background information and a selection of helpful Burma-related links, see "Myanmar: A Call for Regional Action" at the International Crisis Group Web site www.crisisgroup.org/home/index.cfm?id=5093&l=1. In addition, the Sept./Oct. issue of *Foreign Policy* has a useful guide to understanding Burma's "economic lifelines." The article can be accessed at www.foreignpolicy.com/story/cms.php?story_id=3986. ■

— Marc Nielsen, *Editorial Intern*

50 Years Ago...



The Association and its *Foreign Service Journal* can do more than we have in the past to serve the interests of the Service in the matter of public relations. I fear that if we stand upon our dignity we may not have much left to stand on. I think within limits there is room for a more muscular, red-corpuscular attitude on the part of the Association and the *Journal*. By that, however, I do not mean leaping to the barricades or fomenting revolution. We must always confine our effort to the bounds of common sense and that "application of tact and intelligence" which is the hallmark of diplomacy.

— Robert McClintock, "The *Journal* and the Service,"
FSJ, December 1957