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UNDERSTANDING THE STATE DEPARTMENT

INTRODUCTION

Two years from this month, the Department of State will celebrate its bicentennial anniversary. Back in those first days of U.S. independence the Department was staffed with a half-dozen employees on a budget of less than \$60,000. Today, the State Department employs over 25,000 people around the world on an annual operating budget of over \$4 billion.

The State Department has been a source of frustration and dissatisfaction for every President since at least Franklin D. Roosevelt. Often called the "fudge factory," it was described by John F. Kennedy as "a bowl full of jello." While Ronald Reagan's private views of the State Department are unknown, he is entitled to use language even more pointed than Kennedy's. For it is an intriguing anomaly that the power and influence of the career Foreign Service, which largely runs the Department, have reached an apex in Reagan's administration even though he campaigned for office promising to bring the federal bureaucracy under control.

Bureaucratic Imperatives: Many of the career Foreign Service Officers--called FSOs--who conduct the Department's day-to-day operations and to a significant extent direct foreign policy, are governed by bureaucratic imperatives. While intelligent and hard-working, they weigh career and institutional interests heavily in formulating and carrying out policies. They often seem more concerned to please foreign governments than their own, often seek agreements for agreements' sake, and place a high priority on continuity in foreign policy. Their power is enormous because most noncareer officials at State defer to the judgments of the career staff, who often seem impervious to the wishes of a President and the people who elected him. Indeed, the general attitude is, "We professionals know better."

This is the first of a series by The Heritage Foundation's State Department Assessment Project. Upcoming studies will address such issues as how the State Department manages U.S.-Soviet relations, the Department's role in intelligence gathering, and an analysis of the role of Foreign Service Officers.

Given the record of the past half century, many experts are concluding that the State Department serves its own interests better than it does the nation's. If this judgment were correct, then the Department would have to change. It would need new people, approaches and leadership. Its structure would have to be changed to facilitate control of the bureaucracy by the President and his principal advisers. Reforms would be needed to enable them to take effective charge of the formulation and conduct of foreign policy. The State Department would become part of the administration, as are other Executive Branch departments, instead of a semi-autonomous enclave in the area of Washington known as Foggy Bottom. The State Department then would be, as it must in a democracy, responsive to the will of the electorate.

THE EARLY DAYS

During the drafting of the Constitution, James Madison proposed the creation of a permanent Department of Foreign Affairs. The first Congress, however, gave this executive department both domestic and foreign responsibilities, and on September 15, 1789, named it the Department of State. Thomas Jefferson was appointed the first Secretary. He had a staff consisting of a chief clerk, three other clerks, a translator, and a messenger, and his total budget to operate the Department in Washington and at diplomatic and consular posts in five European countries came to \$56,000.

From the turn of the century until about 1870, there was little growth or change in the State Department, reflecting America's focus on the general stability in Europe and westward internal expansion. The number of overseas missions increased from 15 in 1830 to 33 in 1860, when 45 people held appointments in the diplomatic service and another 282 were employed at consular posts.

20th Century Growth. In 1870, during the Grant Administration, Secretary Hamilton Fish reorganized the Department to improve its management. He established nine bureaus, principally Diplomatic and Consular bureaus, the Bureau of Archives, and the Bureau of Accounts. Thirteen years later, the Pendleton Act created the civil service, but it did not include diplomats. In 1905, President Theodore Roosevelt extended the merit system requirement for competitive entrance examinations to all diplomatic and consular positions, except those of minister and ambassador.

The early 20th century saw significant growth in the Department. The Division of Far Eastern Affairs was created in 1908, followed in 1909 by an information division and three more geographic divisions, for Near Eastern, Latin American, and Western European Affairs. To handle the extra work brought on by the First World War, the Department expanded from 234 domestic personnel in 1910 to 798 in 1920; its operating budget rose from less than \$5 million to over \$13 million.

Secret Diplomacy. One of the putative lessons of World War I was that secret diplomacy and statecraft contributed to the war's outbreak. The answer to this, it was argued by Woodrow Wilson and others, was open diplomacy. This

brought international politics and its practitioners into the consciousness of the general public. The concomitant decline of the old European order and the rise of the United States as a major economic and military power forced Washington to consider a whole new range of foreign policy issues.

The 1924 Rogers Act created a unified professional Foreign Service, merging into one the separate corps of diplomats representing U.S. political interests abroad and the consular officers who issue visas and passports and protect the interests of American citizens in foreign countries.

POST WORLD WAR II: THE U.S. AS A GREAT POWER

The U.S. emerged from World War II as the preeminent Western power, and the State Department was reorganized again to meet its increased responsibilities. New bureaus were set up to handle trade relations, cultural diplomacy, and public information. In 1946, the position of Under Secretary for Economic Affairs was created, reflecting the need to deal with such new international financial and economic institutions as the International Bank for Reconstruction and Development, the International Monetary Fund, and the Food and Agriculture Organization. The Foreign Service Act of 1946 established the unusual position of Director General of Foreign Service to represent the interests of the career Foreign Service Officers to the politically appointed Secretary of State.

Under the leadership of Secretary George C. Marshall, the Department played a significant role in shaping U.S. foreign policy in the early postwar years. With the assistance of his newly formed Policy Planning Staff, Marshall was largely responsible for the Truman Doctrine in 1947 and the European recovery effort that became known as the Marshall Plan. The U.S. signed the Rio Pact in 1947 and the North Atlantic Treaty in 1949 and entered into other collective defense agreements with noncommunist nations around the world to contain the spread of communism. All of these activities expanded the Department's responsibilities.

New Building for Burgeoning Bureaucracy. Symbolizing its growth in size and responsibility, in April 1947 the Department moved from its headquarters adjoining the White House, which it had shared prior to World War II with the Departments of the Army and the Navy, to its present headquarters in Foggy Bottom. Yet that building, constructed in the late 1930s for the War Department, soon proved inadequate for the rapidly growing State Department and its companion Agency for International Development, which had been created to manage the burgeoning foreign aid program.

Thus began a construction program that by 1959 had nearly quadrupled the size of "New State," as the Department's headquarters became known. The number and size of posts abroad also increased, with a new embassy being established as each former colony attained independence. Foreign aid programs were set up for most of the new countries. In some, the aid programs became enormous, employing hundreds of American managers and experts, who live in expensive housing and receiving large allowances.

THE NATIONAL SECURITY COUNCIL AND STATE

The more active U.S. global role following World War II required a new institutional structure to bring together the views of the greatly expanded defense and foreign policy agencies, primarily the State and Defense Departments and the new Central Intelligence Agency (CIA), and to assist the President in making national security decisions. The National Security Council (NSC) was created by the National Security Act of 1947, as part of the Executive Office of the President. Its purpose is to coordinate the views and recommendations of the national security agencies of the government and to ensure that the President receives the advice of all concerned agencies in the formulation of national security policy.

The NSC is supported by a professional staff of about 50, many of whom are career Foreign Service and military officers on detail to the White House for two or more years. Much of the work of the NSC is handled by committees composed of officials of the interested departments and agencies, who monitor and coordinate policy issues that transcend the scope of any single government agency.

Downgrading the NSC. The NSC is part of the President's staff, and as such, its nature and influence depend on his personal style and wishes. Some chief executives have preferred a strong advice-oriented NSC under a powerful NSC advisor; others have used the NSC more as a coordinating mechanism. Contrast, for example, the strong influence of National Security Advisors Henry Kissinger, Zbigniew Brzezinski, Walter Rostow, and McGeorge Bundy with the much weaker influence of the NSC advisors in the Truman, Eisenhower, and Reagan administrations.

Reagan deliberately downgraded the NSC to give the Secretary of State, and through him the Department of State, considerably more power in setting policy than it had in previous administrations. The influence of the State Department was assured when Reagan acceded to Secretary Alexander Haig's initiative in making State officials chairmen of many of the interagency groups (IGs) that develop foreign policy options and actions on a day-to-day basis. In the Nixon, Ford, and Carter administrations, these interagency committees had been chaired mainly by NSC officials.

When he became NSC Advisor, Judge William Clark, a confidant of President Reagan, restored some of the authority of the NSC staff. When Clark was replaced by his deputy, Robert C. McFarlane, the primacy of the Secretary of State and the State Department bureaucracy was restored. That situation has continued to the present.

The State Department also exercises subtle influence over the NSC itself. This happens because, for financial and bureaucratic reasons, a sizable portion of the NSC professional staff is composed of FSOs temporarily assigned to it. These FSOs strive to serve the U.S. national interest and the President, but after a couple of years they must return to the State Department for future career assignments and it is especially difficult for an officer on detail to take a position opposing that of his own department.

POST WORLD WAR II REFORMS

In 1949-1950, the Hoover Commission (chaired by former President Herbert Hoover) recommended creating the present structure of the State Department with its regional bureaus and country desks. This was done in the erroneous belief that 90 percent of the Department's work would be managing bilateral relations with individual foreign countries. The Commission also believed that the Department would work on "policy" rather than overseas "operations."

In 1954 the Wriston Commission, chaired by Henry Wriston, President of Brown University, recommended the most far-reaching reform to date: consolidating virtually all State Department officers working on foreign affairs into one foreign service personnel system. This combined much of the Washington-based Civil Service and the overseas-based Foreign Service in a single system. One result is that FSOs get considerably more Washington service, while the Department's Washington analysts now are FSOs who also serve overseas. When the two services were combined in 1956-1957, the Foreign Service more than doubled in size to 3,436 officers. The idea was to end foreign service elitism and convert specialists into generalists. But today the lack of specialists is a serious problem in the State Department, while elitism continues to plague the service.¹

Cone System. Growing concern about the efficiency of the Department during the late 1960s led William Macomber, the Nixon Administration's Deputy Under Secretary for Management, to establish in 1970 what came to be known as the Macomber Commission. It completed a major in-house study of State Department activities entitled "Diplomacy for the 1970s." Among the changes adopted was a system of functional specialization in the Foreign Service. This is the so-called cone system, whereby Foreign Service Officers choose their areas of specialization (administrative, economic, political, consular, or information) and then work in these specialties through most of their careers. The cone system has become one of the most controversial aspects of a Foreign Service career.

THE FOREIGN SERVICE ACT OF 1980

The most recent attempt at reform culminated in the Foreign Service Act of 1980. It was written by Carter Administration appointees at State in close collaboration with the House Foreign Affairs Committee staff and the Foreign Service Association, the former professional association of FSOs that became a labor union in 1972. The Act enhanced the rights and power of the Department's labor union and established a bonus system for senior managers that is controlled not by management but by the FSOs themselves.

The main result has been to codify control of the Foreign Service by the Foreign Service Officer corps. The President elected by the people and his appointees at the State Department cannot promote, reward, in many cases reassign, or even fire members of the Foreign Service. These normal management functions in other federal departments are assumed at State by the foreign service career

1. "The Princeton Club of Foggy Bottom," *National Security Record* No. 88, February 1986.

bureaucracy through a unique system of promotion boards, bonus boards, assignment panels, and even time-in-class (or termination) boards, which operate under the provisions of the Department's labor-management agreement.

THE STATE DEPARTMENT STRUCTURE TODAY

Overview

The Foreign Service personnel system now has about 7,000 officers serving in the U.S. Foreign Service, as employees of the Department of State, the U.S. Information Agency, the Agency for International Development, the Foreign Agriculture Service, and the Foreign Commercial Service. However, the 4,500 FSOs in the Department of State, and particularly the 700 or so State Department members of the Senior Foreign Service, dominate and control the system.

An example of this dominance is the appointment of ambassadors. The State Department controls the process of appointing career officers as ambassadors. As a result, out of 4,500 State Department FSOs, about 88 serve as ambassadors. In contrast, the U.S. Information Agency has 1,300 FSOs, but only one is serving as an ambassador. The career bureaucracy at State not only blocks the appointment of noncareer appointees as ambassadors and Department officials, it also blocks the appointment of former career officers and career officers from other parts of the government.

The structure of the State Department is one of the most complicated of any government department or agency. Chart I (see Appendix) shows the present-day organization of the Department, but it cannot convey the extremely intricate nature of the hierarchical relationships between the departments and offices, nor the dynamics of interbureau relationships within the Department.

Decision-Making Centers

There are three decision-making areas within the State Department. At the top of the organizational pyramid are the Secretary and his principal deputies: the Deputy Secretary, four Under Secretaries, and the Counselor. Next after this "senior management team" are the five geographic bureaus, each headed by an Assistant Secretary, assisted by four or five deputies. The third decision-making area consists of the functional bureaus and offices, headed by an Assistant Secretary or an official of comparable rank.

The division of bureaus and offices into regional and functional areas reflects the twin orientations of the Department: to conduct foreign relations with individual countries and to deal with topical issues that transcend individual countries or regions. One result is redundancy. Example: scientific exchanges with China will be a responsibility of the Office of Chinese Affairs of the Bureau of East Asian and Pacific Affairs and also a responsibility of the Bureau of Oceans and International Environmental and Scientific Affairs.

The Seventh Floor

It is on the seventh floor that the power of the State Department is centered. The Secretary of State is the principal foreign policy advisor to the President, a member of the National Security Council, and the ranking member of the President's Cabinet. He is also manager of the Department of State and its 25,000 employees worldwide. Most Secretaries of State have little outside constituency, and their power depends on the willingness of the President to delegate authority to them and to follow their advice.

In the Reagan Administration, the President has delegated substantial authority to his Secretary of State to formulate and conduct foreign policy and, most important, to staff the Department with his own appointees. In reality, these often have been the choices of the Foreign Service bureaucracy. The National Security Advisor's authority has been greatly reduced (except for some projects the Secretary of State has refused to support), leaving foreign affairs power concentrated in the hands of the Secretary and the career FSOs he relies upon.

The Deputy Secretary, at least ostensibly, is second in command in the Department. However, few deputy secretaries have come to the Department with extensive knowledge or background in foreign affairs. Most have had little impact on either policy or the management of the Department, instead concentrating on diplomatic and social functions that are a large part of the work of the State Department. They have tended to defer to the advice of the career staff and even to champion the consensus of the bureaucracy.

Four Under Secretaries. There are four Under Secretaries: for political affairs, economic affairs, security assistance, and management. It is generally acknowledged that the Under Secretary for Political Affairs is the third-ranking official in the Department, while the Under Secretary for Management is usually fourth in importance.

The position of Under Secretary for Political Affairs was created in the Eisenhower Administration for Robert Murphy, a distinguished senior FSO, as the counterpart of the permanent career undersecretary in the British system (although on occasion the position at State has been held by a noncareer appointee). This Under Secretary is responsible for policy formulation, the overall direction of interdepartmental activities, and in particular, bilateral political relations with other governments. He often represents the Department in discussing matters of interest with senior officials of the Defense Department, the CIA, and the NSC.

While the Under Secretary for Political Affairs is the third-ranking official at State, in practice he may wield more power than the Deputy Secretary and often acts as *de facto* Secretary of State, making day-to-day foreign policy decisions in the absence of the Secretary, who travels frequently on diplomatic missions and is involved in numerous interdepartmental activities. It is common for an action memorandum to the Secretary to be returned to the sending bureau with the Under Secretary having decided the matter for the Secretary. The Under Secretary's staff includes assistants with regional responsibilities corresponding to the regional

bureaus, with whom they keep in close touch to ensure that bureau action on important issues is handled in accordance with the Under Secretary's views.

Placing Proteges. The role of a career Under Secretary can be greatly accentuated if the incumbent has a strong personality and enjoys the confidence of the Secretary. An example is Lawrence Eagleburger, the Kissinger protege who very nearly ran the Department during two periods as an under secretary; from 1975-1977 as Under Secretary for Management to Secretary Kissinger and from 1982-1984 as Under Secretary for Political Affairs to Secretaries Haig and Shultz. His effectiveness derived in part from his ability to place his own proteges from the career foreign service in key positions.

The Under Secretary for Management oversees all personnel, budgetary, administrative, and security matters for the Department and can wield major influence, especially in influencing senior-level appointments. When held by a career officer or by a political appointee who has been "captured" by the bureaucracy, this position becomes a key lever used by the career service to ensure that it pays no penalty for ignoring the policy direction set by the White House or other political appointees. With his control of personnel and money and a lack of effective outside oversight, the Under Secretary for Management is able to isolate and reduce the effectiveness of appointees of the administration through denial of staff positions, office space, secretaries, operating funds, information, and other resources.

Unprecedented Significance. As the senior career member of the Department's Presidential Appointments Committee (which is chaired by the Deputy Secretary), the Under Secretary for Management plays a major role in nominating Foreign Service Officers to be ambassadors and to fill other presidential appointments and in blocking noncareer candidates from receiving foreign policy appointments. During the Reagan Administration, the Under Secretary for Management has been included regularly in the White House personnel meetings that consider nominees for appointment by the President as ambassadors and to other senior foreign policy positions. This has given the Foreign Service bureaucracy an unprecedented White House personnel role of great significance.

The Under Secretary for Economic Affairs is the primary advisor to the Secretary on foreign economic relations and policy and is the main State Department contact with the Departments of Commerce and Treasury, which have statutory responsibility for foreign trade and international economic matters. This position has little authority and has mainly a coordinating role.

Alter Ego. The Under Secretary for Security Assistance, Science, and Technology is responsible for integrating military assistance to foreign governments with U.S. foreign policy in general. He is also involved in issues of technology transfer, international scientific matters, and communications and information policy. This is also a coordinating position with little direct impact on most Department activities.

The final member of the senior management team is the Counselor, who serves as a special advisor to the Secretary on major foreign policy issues and international negotiations. Depending on the incumbent, the counselor often has

been an alter ego or righthand man to the Secretary. . . . On other occasions, this position has been used as a high-level title for a deserving appointee who has few real duties or responsibilities. It is now little more than an additional title that has been given to the President's principal arms control negotiator.

Policy Planning and Paper Flow

The Policy Planning Staff consists of 15 to 20 individuals who are supposed to do the deep thinking and long-range foreign policy planning that most State Department officials do not have time to do. It is staffed with writers, academics, and intellectuals, both career and noncareer, who are divorced, at least theoretically, from the press of current problems. The Staff reports directly to the Secretary and can exert considerable influence on U.S. foreign policy when a Secretary chooses to use it to develop policy options. It is often staffed with high-caliber members. The first two Policy Planning directors were George Kennan and Paul Nitze; Zbigniew Brzezinski once served as a member.

The Policy Planning Staff's importance in policy formulation has waned over the years because of the increased importance of the National Security Council staff, the Planning Staff's lack of direct involvement in Department operations, and the failure of Department management to use it as originally intended. For years it has been used mainly to write speeches and policy papers for the Secretary and his senior staff.

Critical in Crises. A key element of the State Department is its Executive Secretariat, headed by a special assistant to the Secretary. It controls the paper flow--cables and memoranda--from the Secretary, Under Secretaries, and Assistant Secretaries to and from the rest of the Department, between the Department and the rest of the government, and between Washington and the posts abroad.

The Executive Secretariat controls the Department's documents and its channels with the White House, Pentagon, CIA, NSC, and other outside agencies. Staff officers within the Executive Secretariat, who mirror the regional and functional bureaus, ensure that the consultation and clearance process is followed throughout the Department. The Executive Secretariat also controls the round-the-clock Operations Center, which makes the often critical first disposition of crises and controls Department communications and the assignment of responsibilities.

The Executive Secretariat is key to controlling the Department of State. Information is power, and the Executive Secretariat controls the flow of information. No Secretary or President can direct the State Department effectively without having a loyal lieutenant in the position of Executive Secretary.

The Regional Bureaus

The five regional bureaus--European and Canadian Affairs, African Affairs, East Asian and Pacific Affairs, Inter-American Affairs, and Near Eastern and South Asian Affairs--constitute the second decision-making area of the Department. Usually included with the regional bureaus is the Bureau of International Organization Affairs, ostensibly responsible for multilateral diplomacy at the United

Nations and other international organizations. In reality, however, the regional affairs office of the Bureau of European Affairs directs much of the U.S. participation in the major international organizations that are located in Europe; and the U.S. Ambassador to the U.N., who has cabinet rank and often is a prominent personality in his own right, does not readily take direction from the Department.

Each regional bureau is headed by an Assistant Secretary, assisted by four or five Deputy Assistant Secretaries and a half-dozen or so office directors with responsibility for individual countries or groups of countries. The regional Assistant Secretaries are the heart of the Department's operations, responsible for the conduct of foreign relations and for overall direction of U.S. government activities in their geographical areas.

Careerists as Political Appointees. The Assistant Secretaries or their deputies may preside over or participate in interagency committees of the National Security Council system. A working group on Central America, for example, may be chaired by the Assistant Secretary for Inter-American Affairs. Most important, merely by handling day-to-day issues in their areas, the Assistant Secretaries often make important decisions that have an effect on policy. What seems at first to be a routine matter may become a crisis. The Secretary and President then may find that the Assistant Secretary has made decisions that lock the U.S. into a particular course of action. Though all the Assistant Secretaries are presidential appointees, career FSOs often are chosen to fill these positions. This is unlike the practice in the rest of the government, where careerists rarely are appointed to positions reserved for presidential appointees. The large staffs of the Assistant Secretaries at State are composed almost entirely of career personnel, again unlike other government departments.

American ambassadors abroad theoretically report to the President. In reality they report through the Assistant Secretary for their geographical area. Thus, the Assistant Secretaries wield substantial policy power, and any President who wishes to control foreign policy must appoint his own loyal supporters to the assistant secretary positions at State.

Not Created Equal. Not all regional bureaus are created equal. The European Bureau, which includes the Soviet Union, has the preeminent status of almost a "world bureau." There are few issues of great importance to the U.S. that do not relate to either the Soviet Union or the NATO allies or both. In fact, until the 1950s, Europe was the world for most purposes, with Foreign Service posts in colonies in all parts of the world under the supervision of the European Bureau. The Assistant Secretary for Europe is, therefore, one of the most important officials in the Department. Likewise, the Department's "Atlanticists," those officers selected early in their careers for duty in the major capitals of Europe, often remain in Europe or working on European affairs for much of their careers and generally populate top jobs throughout the State Department.

The East Asian Bureau is second in importance, reflecting the significance to U.S. foreign policy of Japan, the Republic of China on Taiwan, the People's Republic of China, the Philippines, and Vietnam. China specialists, in general, seem to advance well in the service.

Weak Africa. The African Bureau is probably the weakest, reflecting the relative lack of world power or influence of the many small and economically dependent countries on that continent. The Latin American Bureau seems to have something of a "ghetto" status, reflecting the relative lack of military or economic importance of the area, although the problems in Nicaragua are gaining more attention for the bureau. The Near East and South Asian Bureau, full of specialists in exotic countries and cultures, wields little political or bureaucratic clout.

The "regional" or "country" view of the world that is reinforced by the regional bureaus is one of the Department's most serious problems. Most foreign policy issues are viewed from the perspective of a single country or area of the world. This leads to what is widely called "clientitis," country officers looking out for the best interests of a "client" country or region.² Similarly, the Department has difficulty in dealing effectively with nations that are motivated at least partly by ideology, since the tendency is to treat all nations as if their actions and motivations were based on Western values and traditions.

The Functional Bureaus And Offices

The third decision-making area of the Department consists of bureaus and offices delineated by functional rather than regional responsibilities. Some of the more significant functional bureaus are: Intelligence and Research, Politico-Military Affairs, Economic and Business Affairs, Consular Affairs, Diplomatic Security, Public Affairs, Legislative Affairs, Human Rights, Counter Terrorism, and International Narcotics.

The Bureau of Intelligence and Research prepares and disseminates intelligence reports to the Department's senior staff and to other officials in the Washington intelligence community and handles the Department's liaison with other agencies on intelligence matters. The bureau also prepares analyses of current foreign policy problems for the Secretary and the intelligence community. The bureau is staffed primarily with officers who are not the best: those who have been passed over for the more significant assignments in the regional bureaus and elsewhere. Its reports suffer from institutional bias and are not highly regarded by users outside the State Department.

Guiding Military Sales. The Bureau of Politico-Military Affairs is the Department's principal liaison with the Department of Defense and the Arms Control and Disarmament Agency. The bureau advises the Secretary on such national security issues as arms control, arms transfers, and other defense-related matters. The bureau participates in the control of commercial arms exports from the U.S. and works closely with the Under Secretary for Security Assistance, providing policy guidance for the military assistance and sales programs operated by the Department of Defense.

The Bureau of Economic and Business Affairs deals with issues regarding interregional economic matters, negotiates economic agreements, and assists the

2. John Krizay, "Clientitis, Corpulence and Cloning at State--the Symptomatology of a Sick Department," *Policy Review*, Spring 1978.

Office of the Trade Representative. The bureau represents the State Department to lending institutions such as the World Bank and coordinates with Treasury and Commerce in representing U.S. business interests abroad.

The Bureau of Consular Affairs administers and enforces the provisions of the Immigration and Nationality Act, as well as other laws relating to citizenship and immigration. In this capacity, it issues passports, visas, and other vital documents. It has been suggested that these non-foreign policy functions might properly be performed by the Immigration and Naturalization Service instead of the State Department. Such a step would reduce the size of the Foreign Service Officer corps by 20 to 25 percent.

Dealing with Terrorism. The growing problem of international terrorism has spawned the new Office of Diplomatic Security. This office, together with the Office of Counter Terrorism and the Office of Foreign Buildings, is charged with the difficult task of improving security for America's official representatives abroad. Last year the State Department asked for a special appropriation of \$4.4 billion to rebuild and fortify American embassies to make them more terrorist-resistant. Congress approved about \$1 billion initially, and it is clear that security will continue to be a major concern of the Foreign Service.

With over 150 U.S. embassies and missions, and hundreds of consulates and other Foreign Service facilities around the world, security has become a huge and costly effort. Hundreds of new security officers are being hired, accounting for much of the Department's staff increases of recent years. In many countries where local living costs are very high, the Department spends millions leasing quarters for foreign service personnel. The problem of providing physical security will make these costs still higher.

DECISION-MAKING DYNAMICS

The decision-making structure of the Department is hierarchical; disputes between offices and bureaus presumably are settled at the next higher level. In practice it does not work this way. It is very unusual for a dispute to be settled overtly; the process rarely produces a memorandum to the Secretary that says one bureau recommends Option A and another recommends Option B. Disagreements usually are handled through a very thorough clearance process, which makes it impossible for most offices in the Department to issue their opinions without the approval of other offices at a comparable or a superior level. This system is enforced by the Executive Secretariat, which returns memoranda and cables to the originator without action if all required clearances have not been obtained.

Final Arbiter. The clearance process reflects the relative importance of the issues for which the different units are responsible, as well as the strength of the heads of the bureaus. Example: if the powerful Office of Soviet Affairs in the European Bureau disagrees with the weaker Human Rights Bureau about the relative weight to be given to arms control and human rights in discussions with the Soviets, the former's view usually will prevail. When disputes between bureaus arise, the Under Secretaries and ultimately the Secretary are the final arbiters. The

Department, however, usually reaches a consensus, in which the weaker offices and individuals accommodate their interests to the more powerful.

The system of requiring multiple clearances on all papers is a major bureaucratic impediment. A dozen clearances by different units is not unusual. The clearance requirement delays many papers until after a policy issue has been resolved. What is more, it means that policy papers are often watered down to the lowest common denominator. State Department papers, in fact, are notorious for "on the other hand" formulations. Often a paper is stopped completely by the lack of a single clearance. Most important, the clearance process gives great power to strong-willed officials, especially those who enjoy the support of the Secretary.

INDEPENDENT AGENCIES: USIA, AID, AND ACDA

The United States Information Agency (USIA), the Agency for International Development (AID), and the U.S. Arms Control and Disarmament Agency (ACDA) are separate government agencies, which fall under the jurisdiction of the Secretary of State by virtue of his mandate to conduct U.S. foreign policy and oversee all interdepartmental activities relating to foreign affairs. USIA and AID have their own Foreign Service Officer corps under the foreign service personnel system, while ACDA, like the National Security Council, only "borrows" FSOs and military officers on detail from State and Defense. The Director of USIA and the Administrator of AID report to the President, but they receive policy guidance from the Secretary of State. The Director of ACDA reports to the President and the Secretary of State.

United States Information Agency

The mandate of USIA is to conduct the public diplomacy of the United States in foreign nations and to inform the U.S. government on the nature and direction of foreign public opinion. The Voice of America, which is a bureau of USIA, broadcasts around the world in 43 languages, most notably to the Soviet Union, China, and the communist countries of Eastern Europe. USIA also distributes around the world a daily "wireless file" of U.S. news, operates the *Worldnet* foreign television system, handles U.S. foreign press relations, and arranges the cultural and educational exchanges of the U.S. government. USIA is divided into regional and functional offices comparable to those at State. Abroad, USIA and State work very closely, as hundreds of USIA FSOs serve at embassies as information and cultural affairs officers.

Agency for International Development

Under the Foreign Assistance Act, AID conducts the economic assistance programs of the U.S. government under the policy guidance of the Secretary of State. With about 1,000 Foreign Service Officers, AID operates foreign assistance programs in 77 countries, although some form of U.S. assistance goes to over 100. AID functions almost as part of State, since most of its decisions on foreign assistance allocations require the Department's policy guidance. A major problem is the tendency of many U.S. ambassadors to use foreign aid for pork barrel purposes, just as politicians use government spending to win points in their home districts.

Aid funds can win an ambassador "access" to top officials of the government to which he is accredited and win praise for him from those officials. Alternatively, he may earn their opposition and possibly put his job in jeopardy if he cannot keep the aid money flowing.

Arms Control and Disarmament-Agency

On paper, the Director of the Arms Control and Disarmament Agency (ACDA) is the principal advisor to the President and the Secretary of State on arms control and disarmament matters. ACDA was created in 1961 to give arms control greater clout in the interagency process. Always very small (fewer than 250 employees, including those on loan from State and Defense), ACDA's influence has been diminished in the Reagan Administration by the appointment of two additional presidential advisors on arms control, Paul Nitze and Edward Rowny, and a senior arms control negotiator, Max Kampelman, who also serves as Counselor of the State Department.

CONCLUSION

Noncareer policy appointees are rare at the State Department, numbering fewer than 100 in an organization with over 700 senior level jobs. Vastly outnumbered, resented by FSOs, and given little support by the White House, most political appointees at State thus have only limited influence on policy. They frequently leave in frustration after a year or two on the job, creating a serious turnover problem of policy-level officials.

The Foreign Service Officer, however, is the key to both the operation of the State Department and the making of American foreign policy. While political appointees change often, FSOs stay for a career of 30 years or more. FSOs may change jobs or posts every two to four years, but they retain what can be called the Foreign Service point of view, which is similar to that found in the foreign ministries of many other countries. FSOs who have served for years abroad often will admit privately that they have more in common with the foreign office or embassy officials of other countries than with Americans back home.

Subordinating Policy Issues. This mentality tends to subordinate the larger, goal-oriented policy issues to the diplomatic process itself (or the arms control process), which many FSOs consider self-justifying. Diplomacy substitutes for policy.³

It is argued that the Foreign Service still embodies a 19th century view of the world. This may be fine for dealing with governments that share similar values and institutions, but it is inadequate for dealing with the post-World War I regimes, fascist or communist, which reject Western values and do not play by the same rules.

3. Richard Pipes, "Who Should Direct U.S. Policy Toward Moscow?" *National Security Record* No. 83, September 1985.

Increasingly, observers conclude that the State Department needs change--that it needs new people, new ideas, new approaches, and new leadership. The problems of clientitis, overstaffing, watered-down recommendations, institutional biases, and the lack of effective control of foreign policy must be addressed if the State Department is to become a more effective and faithful executor of the President's foreign policy.

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APPENDIX: CHART I
DEPARTMENT OF STATE

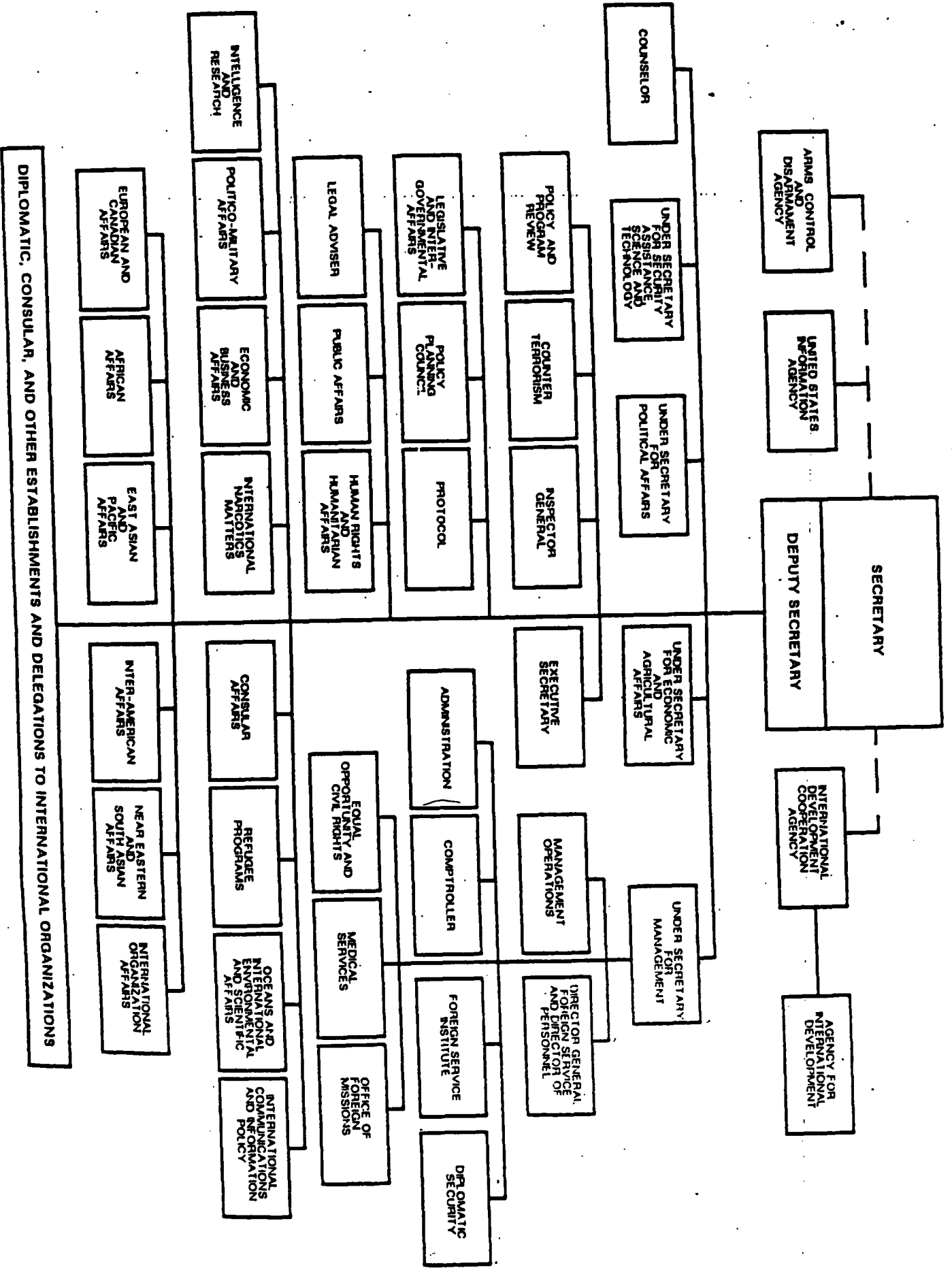


CHART II

The Personnel Office of the Department of State provided the following statistics as of March 31, 1987:

Total Civil Service Employees	5,894
Total Foreign Service Employees:	
- U.S. Citizens	10,250
- Foreign Nationals	<u>9,707</u>
GRAND TOTAL	25,851

U.S. Foreign Service personnel:

Chiefs of mission	130
Senior foreign service	671
FSOs, grade 1-4	2,539
Foreign Service candidates	<u>1,204</u>
Total FSOs	4,544

Other Foreign Service:

Foreign Service specialists	5,041
Temporary resident staff	623
Consular agents	<u>42</u>
Total Other Foreign Service	5,706



CHART III

Budget Authority in Millions of Dollars

Year	State	ACDA	USIA	AID
1982	2,586	17	497	1,208
1984	2,979	19	667	1,316
1986	4,040	25	839	1,256
1988 (est.)	4,335	33	942	1,427

The State, USIA and ACDA budgets have grown much faster than the government as a whole during the Reagan Administration, which has excepted State and its sister agencies from most budget and personnel cutbacks. Congress has done more than the Administration to try to control these costs.