

Foreign Service Journal

NOVEMBER 1968

PART TWO

Toward a Modern Diplomacy



A REPORT TO THE AMERICAN FOREIGN SERVICE ASSOCIATION

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Foreign Service Journal

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INTRODUCTORY NOTE

In the late fall of 1967, the Board of Directors of the American Foreign Service Association asked Graham Martin to chair a committee which, building on studies already underway within the Association, would make specific recommendations for improvement in the organization of the nation's foreign affairs. It was clear then—and is clearer today—that in a period of great national debate over ends and means, the habits and forms of the past would no longer be entirely adequate. The Board was confident that the insights and experience of the professionals in foreign affairs—the men and women most intimately acquainted with the strengths and weaknesses of the organizations they serve—would make a valuable contribution to the debate.

The Board believes its confidence justified. It is pleased to commend the committee's report to serious consideration not only by members of the Association, but by the American public and by those who will be governing this country in the next Congress and Administration. Drawing on Ambassador Martin's long experience, including service as Ambassador in a difficult and complex mission, and distilling the varied experience of exceptionally able members, the committee has submitted a remarkable report. The committee approached its task in terms of fulfilling the *national*—as opposed to agency or personal—interest. Drawing upon this report and upon the discussion we hope will ensue from its publication, the American Foreign

Service Association will be an active and constructive participant in the nation's efforts to organize itself to face the future.

The Board wishes to record its gratitude to the members of the committee who, in a few short months, accomplished a difficult task at considerable personal sacrifice. Since this is in no way an official report, the research, drafting, and deliberations all took place in what might otherwise have been leisure time. It is a measure of the dedication of the professionals in foreign affairs that they responded so wholeheartedly to the request to help. The Board would like also to join the committee in expressing appreciation of the insights and counsel of those who have treated with these complex and sensitive problems in the past. These include the members of the Wriston and Herter Committees. They also, and most notably, include the members and staffs of the committees of Congress responsible for foreign affairs and for the appropriations which have given the nation an opportunity to play so constructive a role in the post-war world.

The Association also wishes to acknowledge the encouragement of John D. Rockefeller 3rd, whose generosity has, among other things, made possible the publication of this report.

We hope the debate is joined and that you will participate. From the discussions we know this report will stimulate, we hope there will emerge broad agreement on what needs to be done on January 20, 1969.

LANNON WALKER
Chairman of the Board

Dear Mr. Chairman:

In your letter of October 14, 1967, acknowledging receipt of the interim report submitted by the Association's Committee on Career Principles, you stated that the Board of Directors had asked you to inform the Committee that the Board approved the specific projects recommended at the end of its report.

In approaching this task, the reconstituted Committee divided into eight subcommittees to explore in considerable depth these general fields: 1. Personnel Systems; 2. Manpower Utilization and Planning; 3. Personnel Selection and Development; 4. Training; 5. Openness of the Service; 6. Remuneration and Benefits; 7. Organization and Leadership; 8. Technology and Systems Analysis. Working papers of these subcommittees are appended as annexes.

The papers were considered by a steering group consisting primarily of the subcommittee chairmen. In meetings, normally at weekly intervals from January through June, discussions covered not only the substance of the papers but also reviewed previous studies of foreign affairs personnel systems, including the studies leading to the formulation of the Foreign Service Act of 1946, the Rowe-Ramspeck-De Courcy Report, the Herter Committee Report, the records of the consideration of the "Hays Bill" and the report of the Plowden Commission on which were based the most recent reforms of the British Foreign Service.

Of particular value was the record of the proceedings of the Senate Subcommittee on National Security and International Operations, whose chairman is Senator Henry M. Jackson. Also of great value were the thoughtful and constructive comments on the implications of the Committee's interim report last year which the Board had invited from foreign service personnel both at home and abroad.

From these discussions and debates, which ranged far beyond the scope of the subcommittee assignments, there gradually evolved a body of general conclusions, some of which differed in nuance or detail, and a few of which differed quite radically, from the thrust of the subcommittee papers. I have undertaken in the attached document to summarize these discussions and the general conclusions which emerged.

I would like to add a personal word. The past months have afforded me the rare privilege of working intimately, more so than is usually the case with senior officers, with a representative group of junior and intermediate officers of the Foreign Service of the United States. Over the years certain stereotypes and cliches regarding the Foreign Service have become imbedded in the "conventional wisdom." Whatever their doubtful validity in the past, they are simply not applicable to our younger officers today. Their preoccupation is not to create or preserve a system in which their position might be safeguarded. They are, rather, deeply committed to the creation of a system which clearly would best meet the over-all needs of the nation they have been chosen to serve, with confidence in their ability to compete within such a system.

I believe that confidence to be justified. If this report serves a new administration in creating, at long last, a stable foreign affairs personnel system designed to adequately meet the needs of the nation in the 1970's, these younger officers will serve this nation very well indeed.

Sincerely,
GRAHAM MARTIN

*Mr. Lannon Walker,
Chairman, Board of Directors,
American Foreign Service Association
Washington, D.C.*

CHAIRMAN'S REPORT

The Foreign Service of the United States: Whatever Became of It?

TO DETERMINE the best course to follow in the future, it is almost always useful to understand where we have been. Santayana's observation, that those who will not learn from history are condemned to repeat it, is as applicable to the narrow problems of bureaucratic form and organization as it is to the broader context to which Santayana applied it.

Starting with the Rogers Act of 1924, we traced the evolution of the Foreign Service through the 1930's to the end of World War II. We noted the gradual acceptance of the principle of a unified service by the members of the separate Diplomatic and Consular Services of the pre-Rogers Act period and the complete acceptance of this principle by the brilliant group of young officers who came into the Service in the late 1920's and early 1930's. The entry in 1939 of the personnel serving abroad for the Departments of Commerce and Agriculture and certain Treasury personnel was accepted with practically no question.

Given the state of the relationship between the senior officers of the Department of State and President Roosevelt, it was perhaps inevitable that neither the Department nor the Foreign Service was utilized fully during the war years. The spawning of the profusion of special agencies, often with overlapping frames of reference, naturally led to bureaucratic conflicts. Remedial action was taken in the economic field when Mr. James W. Byrnes, then Director of War Mobilization, on July 22, 1943, gave to Assistant Secretary Dean Acheson firm policy control over the activities of Leo Crowley, Director of Economic Warfare.

Mr. Crowley had already absorbed Henry Wallace's Board of Economic Warfare and Jesse Jones' Foreign Purchases Corporation. Under the firm leadership of Mr. Acheson and his three able deputies, Henry R. Labouisse, Jr., John B. Erhardt, and Herman B. Wells, consistent, coherent and successful policies were formulated and enforced. There was less success on the political side. One has only to browse through the memoirs of World War II military leaders to find repeated reformulations of the conviction, successfully maintained, that tactical military considerations must invariably override foreign policy interests.

In summary, the Department of State and the Foreign Service played a peripheral role during the war, with a consequent effect on postwar attitudes.

The immediate postwar period saw the absorption into the fabric of the Department of State of many of the World War II independent agencies, particularly those in the economic, intelligence, information and cultural fields. Meanwhile, an extremely able and dedicated group, working closely with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, brought into being an extraordinarily flexible and adaptable instrument with the passage of the Foreign Service Act of 1946, which created "The Foreign Service of the United States."

Stated simply, and perhaps too sketchily, the Act was the culmination of over two decades of experience under the Rogers Act and the farsighted vision of the Foreign Service Officers and their Congressional colleagues who drafted the new act. They clearly recognized the dramatic and unprecedented expansion of the dimensions of American involvement in world affairs as a result of emerging from World War II with a monopoly of nuclear weapons and, alone among the great powers, with a vastly enlarged industrial base unscathed by the ravages of the war. The richest nation in the world and, despite its virtual unilateral act of disarmament with its precipitate demobilization, still the most powerful nation militarily with its nuclear monopoly, the United States simply could not, even if it desired to do so, avoid a massively increased involvement.

The Foreign Service of the United States created by the Act provided an almost ideal instrument for the implementation abroad of this expanded national role. The Act provided a basic corps of commissioned Foreign Service Officers, rigorously selected by entrance examination from the best the nation had to offer and holding their commissions from the President by and with the advice and consent of the Senate. This group was to furnish the hard core of our nation's representation abroad, supported by a Staff Corps at both officer and clerical levels; both groups were statutorily protected from political patronage interference as were the Civil Service and the military services.

The system created by the Act was a marvelously flexible instrument. It was designed particularly as a foreign affairs personnel system. Its provisions were specifically tailored to meet the unique needs of the foreign affairs family—not government service at large. Recognizing the imperative need for discipline, a moral as well as technical obligation to accept service wherever assigned, it provided for vesting the grade and rank in the man, not in the position as in the Civil Service. It provided for a system of periodic home leave, making possible assignment to hardship posts under conditions compatible at last with some degree of humane concern for personnel and their families.

To assure the maintenance of the highest proficiency and ability in the service of the nation, it provided for a competitive system of promotion, designed to be as fair and impartial as human ingenuity and dedication could devise. Its retirement provisions were designed to provide a dignified exit from the Service, when this became necessary, under conditions and at rates which took into account the discipline and conditions of service peculiar to the foreign affairs family.

Two elements had been included which permitted an expansion or contraction as the needs of the nation might dictate. The first was the creation of the Foreign Service Reserve which could bring in for limited periods either additional manpower or special expertise not available from within Foreign Service. The secondary was the authority, granted by Section 517, permitting lateral entry into the Foreign Service, except at the highest level, of additional Foreign Service Officers who might be required to meet the nation's needs. Such entry was to be effected upon examination and after a period of testing either in the Reserve, the Staff Corps, or elsewhere within the United States Government.

One other unique element deserves special comment. The Act contained authority which permitted the detail or "seconding" of Foreign Service Officers to serve with other Federal departments and agencies without affecting their career status within the Foreign Service of the United States. Thus, a senior Foreign Service Officer served as Assistant Secretary of Commerce for International Affairs. This provision, although little used in the last decade, was of great value in bringing to other agencies the invaluable perspective of extensive experience abroad. It was potentially of even greater value when the Foreign Service Officer returned to the Foreign Service with his own perspective broadened and with an increased awareness of the limitations imposed by domestic concerns on foreign policy objectives.

If the Foreign Service of the United States, properly and imaginatively administered, provided such an ideal instrument for the implementation abroad of the nation's inevitably expanded role, the reasons why it was not so utilized warrant careful exploration. It became apparent that much more of the blame than we have heretofore been willing to admit could be centered on the Foreign Service itself. The case of Colonel "Billy" Mitchell and the later example of Admiral Rickover exposed to critical view the influence of the "Horse Cavalry" syndrome and

the "Battleship Admirals" in resisting change within the military services. During the period between the World Wars the commissioned officer structure of the military services, with entry only at the bottom, made them essentially "closed" services. During the same period the commissioned officer structure of the Foreign Service, also with entry possible only at the bottom, was also essentially a "closed" service.

This situation invariably breeds resistance to change, resistance which is enhanced when basic responsibilities, as was the case with our foreign establishment abroad, remain relatively unchanged. In the mid-1940's a Foreign Service Officer said his basic responsibility abroad in the pre-war years had been "to observe, report to the Department, and await instructions which rarely came." In an address in California this summer, Ambassador Charles E. Bohlen, commenting on the unbroken sweep of our 150 years of isolationism, gave a slightly different formulation. He said:

"When I joined the Foreign Service in 1929, this traditional stance was still very much in mode. 'Observe, analyze, and report,' we were told, 'but, above all, don't get involved.'"

These were both accurate observations, recording the faithfulness of the Foreign Service in its meticulous observance of national policies. Nor can it be fairly argued that these techniques did not serve the nation adequately before World War II. But the post-war period demanded more.

In the immediate post-war years the expanded dimensions of our involvement abroad absorbed the full attention of our ablest substantive officers. Despite the brilliant performance of the first two individuals to hold the post of Director General of the Foreign Service, the preponderance of our own variant of the "Horse Cavalry Colonels" who found their way into personnel, the Board of Examiners, and the Inspection Corps, exerted a cumulative influence, apparently irresistible, to prevent the full implementation of the marvelously flexible provisions of the Act.

We can understand and sympathize to a degree with the quite human and normal tendency to attempt to force reversion to a frame of responsibilities with which one is familiar and comfortable, and in which one can successfully compete. Whatever the motivations, it is historical fact that there was great resistance to the use of the authority to bring in Reserve Officers, and even more to the use of Section 517 for lateral entry.

The need in the immediate post-war years for additional skills was so great, particularly in the economic field, that the Congress enacted the so-called "Manpower Act" to permit the one-time exceptional entry into the Foreign Service of 250 officers, without waiting for the "testing period" envisaged in Section 517. Even this minimum authority was not fully utilized. Indeed, the resistance to appointments under the "Manpower Act" was so great that the Chairman of the Board of Examiners felt compelled to write an article for the *Foreign Service Journal* in effect pleading "Stop picking on me. The Manpower Act authorized 250 but we kept the number down to 150."

There were other factors at play. Five Secretaries of State within nine years, each with his own entourage of principal officers, did not and actually could not provide the continuity of leadership which might have reversed this trend. There were also certain difficulties in absorbing the galaxy of war-spawned agencies which gravitated into the Department of State after the war.

A review of all these factors led the appropriate authorities to organize the administration of the Marshall Plan outside the Department of State in Washington and outside the Foreign Service abroad. However, recognizing the excellence of the personnel framework provided by the Act of 1946, they requested and were granted Congressional authority to use the provisions of the Act, particularly those governing use of the Reserve Officers and the Staff Corps, for the staffing of the Marshall Plan abroad.

Later, motivated by many factors, certainly including the

normal bureaucratic desire to retain complete control, the Department of Agriculture moved to detach its previously integrated personnel and to create the Foreign Agricultural Service within the Department of Agriculture. Despite the disarray within State, the Departments of Commerce and Labor wisely decided to retain access to the broader manpower resources available within the Foreign Service by remaining within the system.

Different Secretaries of State have had varying concepts of the role that should be played by the Department of State and also of the role that the Secretary of State should play as the principal foreign affairs advisor to the President. The first Secretary in the post-World War II period desired to have the Department control the primary operations abroad in the field of foreign policy. Others have preferred to divest the Department of "operating" responsibilities and concentrate on the "Presidential advisory" role. Among other effects, this resulted in removing the information function from the Department of State to an independent agency status, an action which was almost reversed in the last year of the Eisenhower Administration. However, here again, as was the case with the administration of the Marshall Plan, authority was sought and granted USIA to use the basic personnel structure of the Foreign Service Act of 1946. Since its creation, USIA has used the basic framework of this Act to appoint its personnel as Foreign Service Reserve Officers and Foreign Service Staff Officers.

The history of the attempts to secure permanent career status for USIA is a sad but instructive lesson in the high price that a group of highly dedicated, competent servants of this nation sometimes are called upon to pay for the rigidities and jealousies all too often present in our American governmental bureaucracy. Had it been clear to the drafters of the Act of 1946 that the overseas information function was inevitably to become an integral and vital instrument of American foreign policy, there can be no doubt they would have included it from the beginning as a functional element whose personnel would be included within "The Foreign Service of the United States."

Although the permanency of the information function became clear soon thereafter, the resistance from the "Horse Cavalry Colonels" to the use of lateral entry under Section 517 effectively precluded action. The excesses of the McCarthy period caused further delay until USIA was removed from the Department. However, with successive able Directors, particularly George Allen, the administration of USIA was tightened, and its personnel system was brought increasingly toward a completely compatible status with that of the Foreign Service.

By 1965 this process had proceeded so far that it was thought timely to attempt to get back to the basic concept of the Act.

More than 700 USIA officers were nominated by the President for appointment as Foreign Service Officers under Section 517 of the Act. The Senate Committee on Foreign Relations recommended that the Senate give its advice and consent. In the pressures of the closing days of the session, the Senate was unable to act. When the nominations were resubmitted the following January, the "Hays Bill" had been passed by the House and the Senate Foreign Relations Committee quite naturally decided to await the outcome of consideration of that legislation.

In August of this year, the personnel of USIA, with the passage of S.633, finally achieved the career status they had long since earned. And in one of life's small ironies, both State and USIA got the essential elements of the original Hays Bill as an added dividend.

We also noted that when the Congress directed the absorption of the economic development function into the framework of the Department, AID and its predecessor agencies continued to use the Act of 1946 as the basis of its independent personnel structure. Later the Acts creating the Arms Control and Disarmament Agency and the Peace Corps placed these agencies within the Department of State. Again, to meet their personnel needs, either by Congressional enactment or by Executive Order,

both were authorized to use the basic provisions of the Foreign Service Act of 1946 governing the use of Foreign Service Reserve and Staff Officers.

Had the leaders of the Foreign Service in the immediate post-war years correctly estimated the expanded involvement made automatic by the vastly changed American world position, determined the qualitative and quantitative requirements for personnel that this expanded involvement would demand, used the available authority in the Act of 1946 to bring these requirements into line with the nation's needs, established as a first and inviolable budgetary priority the steady intake of junior officers, and aggressively expanded training programs, much subsequent turmoil would have been avoided.

In simple justice, we must observe that hindsight is considerably better than the murky crystal ball available at the time. Nevertheless, the trend was clearly discernible, and there were some who clearly and articulately pointed out what needed to be done. Nor are we, after careful examination, able to accept the glib transfer of responsibility to alleged budgetary shortages which in reality did not exist. Our study convinces us that, contrary to the popular misconception, Chairman John Rooney and his colleagues in the Congress in almost all cases gave the Department all that it had justified—not all that was requested, but all that was properly justified. The fault lay not with the Congress but, we think, primarily within the Department: with those who did not constantly readjust priorities within available resources, with those who did not recognize that constant intake of junior officers is a *sine qua non* of any career system or that orderly personnel administration is impossible with an arbitrary withholding of money for home leaves and transfers. Exposed nerve ends still tingle with the recollection of postponed home leaves, or the time when a whole class of junior officers, who had passed both written and oral examinations and been told they would be soon ordered to duty, was saved only by the foresight of John McCloy, then High Commissioner, who appointed them as "kreis officers" in Germany when budget funds were diverted to more "important" needs.

By 1953, patience had grown thin within and without the Department. Dr. Henry Wriston was appointed chairman of a blue-ribbon commission to bring the Foreign Service into some reasonable conformity with the requirements of the nation's foreign affairs. We remind those still critical of "Wristonization" that the Foreign Service's first two Career Ambassadors served on that Commission and fully subscribed to its findings. It was a step in the right direction to make the Foreign Service more balanced and responsive, despite the fact that the forced integration of many Departmental officers who would have preferred permanent domestic service caused digestive pains of considerable magnitude, with resulting hardships for them as well as for their Foreign Service colleagues. The great shortcoming of the Wriston Report, it seems to us, was its failure to face the problem that omitting the development and information personnel from its considerations would create for the future.

Largely, we think, because of this omission, another blue-ribbon commission was constituted in late 1961 under the distinguished leadership of a former Secretary of State, the late Christian A. Herter. A summary of the actions taken to implement the recommendations of the Herter Report reveals that implementing actions were very few, although many of the recommendations were sound.

The concepts advanced in the Herter Report failed to win wide acceptance primarily, we believe, because its central recommendation was not capable of realization in a world peopled with imperfect human beings. Hara-kiri is not comprehended within the American bureaucratic conventional wisdom.

The Herter Report envisioned separate personnel systems for State, USIA, and AID which could somehow be "organized and administered as a family of compatible systems reflecting substantial uniformity in personnel policies and coordinated personnel operations." This was asking the personnel machinery of the

three organizations for acts of self-abnegation which no bureaucracy will voluntarily perform. The only supervisory mechanism provided was an "advisory" Board of Foreign Affairs Personnel comprising the personnel heads of the three agencies. It had no prospect of success. Wisely, it was not attempted.

It did, however, whet the appetite of certain management theorists. In 1949 their predecessors, arguing that the "principle" demanded centralized authority in the Secretary, had stripped the Director General of the Foreign Service of his independent statutory authority to enforce the regulations and procedures set forth by a Board of the Foreign Service, also statutorily independent to protect career status of the Foreign Service. In 1965, by a Presidential Reorganization Order, the Board of the Foreign Service was abolished and its statutory power vested in the Secretary of State. By a simultaneous Executive Order, the Board of the Foreign Service was recreated as an "advisory" body to the Secretary. This was the final erosion of the safeguards the Congress had so wisely written into the Act of 1946.

And in 1968, in the eternal revalidation of Lord Acton's axiom, there occurred the first attempt at purely political intervention into the Foreign Service promotion process. It will not be the last, unless the new President and the Congress determine to restore the statutory protections which alone can assure the preservation of the non-political career status of the Foreign Service of the United States.

In addition to the studies mentioned above, there were many others. In fact, since 1946, formal studies of Foreign Service personnel systems have averaged one every two years. We cannot conclude that the subject has been neglected.

We finished our review with the conviction that the Foreign Service Act of 1946, except for a very brief initial period, had never been implemented as intended by the Congress. We believed that the personnel system set up by that Act was eminently sound. Its basic structure has been found so efficient and practical that it has been utilized by all agencies dealing primarily in foreign affairs which have been created since the passage of the Act. We noted with profound regret that the basic elements which made "The Foreign Service of the United States" a viable concept—an independent Director General of the Foreign Service charged with enforcing the regulations and procedures laid down by a statutorily independent Board of the Foreign Service—have been destroyed; that only the continued presence of Commerce and Labor on the reconstituted "advisory" Board of the Foreign Service and their continued use of the Foreign Service for their overseas activities preserve the fiction that we still have "The Foreign Service of the United States" rather than "The Foreign Service of the Department of State" which, in reality, it has become.

Perhaps some comfort may be taken in the demonstration by this review that, one way or another, the nation will get on with its business. If sufficient flexibility and adaptability are not forthcoming within the existing structure, the President and/or the Congress will find satisfaction outside that structure. Or if resistance to change is too great within a structure that logically should be self-governing, change will be imposed from outside that structure, although the cost to the nation's interests may be very great indeed.

As professionals in the conduct of the foreign affairs of this country, we do not believe it necessary that this process be repeated in the decade ahead. But if we are to avoid a repetition of the past, it will be necessary to at least attempt what we have previously suggested had not been attempted in the immediate post-war period. We must attempt to gauge the extent of our involvement abroad in the 1970's, and then determine the qualitative and quantitative requirements for personnel flowing from such involvement. We must also estimate how the new Administration might organize itself for the conduct of foreign affairs and then recommend the kind of personnel structure we believe will best serve the interests of the American people.

Magnitude of American Involvement Abroad in the 1970's

OUR REVIEW of the past indicated the desirability of attempting to determine the magnitude of American involvement abroad in the 1970's. We realize that crystal balls available for such an exercise are probably as murky as those available in the mid-1940's. Nevertheless, such an attempt was an essential preliminary to a meaningful discussion of either the nature and form of a foreign affairs personnel system or the qualitative and quantitative requirements for such a system.

In the middle of the time frame we are considering, the nation will be celebrating the beginning of the third century of its independence. As it approaches this milestone, it would be natural to anticipate a period of stock-taking, of re-evaluation of current policies to ascertain whether they are likely to remain applicable to the evolving realities of the world in the last quarter of the twentieth century and, if not, what continuing modifications may be needed to fit evolving circumstances. Indeed, we believe this process is already well under way.

We recognized that the internal cohesion and unity of a nation are intimately related to its approach to its involvement in foreign affairs. We attempted to look at our own country and the difficult period of transition in which it is now engaged as objectively as we have regarded similar phenomena abroad.

We took into account the difficulties faced by our communications media in adapting to the revolution in communications. As "instant" communications have posed for editors the problem of "instant" choice, the compulsions of our normal competitive system, quite naturally, have forced the choice of the most dramatic items for emphasis. This is true particularly for the new medium of television and only a bit less so for normal journalistic reportage.

It took the detachment of a drama critic, Mr. Richard Coe of the *Washington Post*, to point out to his journalistic colleagues that the dramatic necessarily emphasizes the chaos of change, that with the emphasis on the dramatic we ignore the steady if uneven progress that may be taking place. We thus lose the vital ingredient of perspective. We believe this perceptive comment equally applicable to journalistic coverage of foreign affairs and our current domestic transitional difficulties.

Drawing back from our daily diet of the dramatic, we attempted to view the domestic scene with as much detachment and perspective as we could manage. It seemed to us that we were seeing within our own country much the same phenomena we had so often observed when other peoples had suddenly become aware that conditions they had long endured with resignation were no longer inevitable for them—and certainly not for their children. We have observed that with such an awareness comes impatience—a compelling, pervasive impatience that demands change, not "with all deliberate speed" but here and now, immediate and forthwith. We have seen demagogic leaders abroad attempt to exploit this situation for their own advantage, some to accelerate the pace of change to revolutionary speed, others to arrest or to slow it. We have also seen other leaders channel this impatience into constructive courses of action which mobilized the energies thus released to build a healthier and more cohesive nation.

We have taken into account the incipient tendencies toward political fragmentation apparent on the current American scene. We suggest there is more than a casual relationship between these tendencies and the constant emphasis in our communications media of the dramatic incidents inherent in a period of rapid change. There are also present the normal distortions and exaggerations which always accompany our quadrennial consultation of the electorate.

We believe serious political fragmentation is highly unlikely to

occur. Based on our observations abroad, we have felt that one of the greatest strengths of our political system has been the broad spectrum encompassed within the framework of both major political parties which traditionally has acted as a safeguard against an unhealthy polarization. We believe this so thoroughly imbedded and understood that there is little likelihood that it will be discarded.

We believe that we detect a growing awareness on the part of the leaders of our communications media of the necessity to present the news with increasing emphasis on the progress that is so surely being made, and the imperative necessity to provide the perspective which the American people have the right to demand from those who enjoy the freedoms guaranteed by the First Amendment.

We also believe both major political parties are firmly dedicated to the rapid implementation of the measures which will be necessary to safely and surely bring into the mainstream of American productive achievement those elements of its population not now so engaged. Perhaps more important is evidence that the leaders of American private enterprise are beginning to understand the indispensable role they must play in this process.

Looking at the unparalleled growth of American economic strength, we conclude that resources to accomplish what has to be done are more than ample.

We therefore conclude that this nation will make rapid progress in alleviating its current domestic problems—more rapid progress than we might now dare to anticipate. We conclude that the enormous growth in the economic strength of this nation over the past two decades and its potential for similar growth in the future give assurance of resources ample to accomplish our domestic tasks without neglecting the necessary actions abroad that are necessary to protect and advance American interests. We so conclude, not as an act of faith of concerned Americans, but as experienced observers of the birth, life, and death of nations. Our only act of faith, perhaps, is our belief that the American people will understand that this is the case.

With specific reference to foreign affairs, we see a questioning of the continuing validity of assumptions underlying certain of our foreign policy goals which we have tended, perhaps, to take too much for granted. We see also a questioning of the efficiency and continued applicability of current techniques, particularly in the field of economic development.

We believe such questioning is not, as some have suggested, a manifestation of internal decay, of the progressive loss of a sense of national purpose, of an erosion of national will, or of the birth pangs of a nascent neo-isolationism. Rather we believe it to be a healthy revalidation of the vitality and strength of our traditional democratic processes of rational debate and free discussion.

These processes will be further strengthened by a lessening of the rush of some of our academic colleagues for "instant" exposure on the new medium of television as "instant" commentators on matters of current foreign policy. The value of such comment on infinitely complex matters dealing with the life and death of nations has usually been in inverse ratio to the degree of expertise gained from a lifetime of devotion to enzymes or zoology. It does not seem that the real interests of this nation have been served by the substitution of polemics for true scholarship. We are happy to note the re-emergence of qualified scholars whose comments are reflective of what we had understood to be the essence of scholarship—the patient, persistent, ceaseless attempt to isolate fact from opinion and propaganda, and thorough, reasonable, rational and, above all, calm discussion of the implications and inferences that might logically be

drawn from the facts.

Out of the resumption of true scholarly discussion we discern the emergence of tentative conclusions that can serve as guidelines in determining the magnitude of American involvement in the 1970's. The disarray in the Communist world has removed at least part of the rationale which permitted some of our people the easy transition from a militant isolationism to equally militant support of programs described as designed to contain a monolithic Communist threat to the world. The rationale was credible. The threat did exist. It was successfully contained, spectacularly so in Europe. It was easy to believe that the techniques which worked so well in Europe would work equally well in other areas of the world. In some cases they could and did, but the different time frame required was not well understood, and frustrations accumulated until the mood of the country as reflected in the Congress has almost demanded a cessation of these programs.

The disparity between the industrialized and the developing nations will certainly increase in the 1970's with concomitant frustrations and tensions, compounded by population pressures and the effects of urbanization and of the communications revolution now penetrating the developing nations.

Without its impinging greatly on our national consciousness, we have witnessed during the past two decades the creation of an extraordinary galaxy of specialized agencies of the United Nations. Among them are the International Bank (IBRD), the World Food Program (UN/FAO-WFP), the World Health Organization (WHO), the International Labor Office (ILO) and the UN Educational, Scientific and Cultural Organization (UNESCO). The maturity of their present development and their increasing effectiveness are better known outside the United States than within.

With more restricted scope, such institutions as the Inter-American Development Bank and the newly created Asian Development Bank will slowly begin to fill the needs of their respective regions for development capital. Added to these are the growing complex of regional cooperative institutions in Southeast Asia dealing with the employment of the region's resources in the fields of health, education, agriculture and transport.

We believe there is ample public support for continuing programs of developmental assistance which will be in the national interest in the 1970's. This support will not be forthcoming automatically. It will be necessary to develop these programs with great care to ensure that their soundness and relationship to American interests are clearly evident to the American people and their representatives in the Congress. It now seems rather clear that the Congress will be increasingly insistent on the provision of developmental capital through the World Bank, the IDA, and the regional lending institutions. Grant assistance, except where American interests are directly involved, will probably decrease. Such aid will probably be geared to effective indigenous implementation of "self-help" programs.

The massive technological and managerial revolution which has so radically transformed American productive capacity has its counterpart in the expansion of American private investment abroad. World markets will be increasingly important to our future economic health. As measures are taken to restore confidence in the international monetary system, more attention will be given to America's international trade. These factors too will affect foreign service personnel requirements in the decade ahead.

While monolithic Communism may be evolving into "separate roads to socialism," it would be imprudent to assume that the diminution of the driving force of Communist ideology will reduce the military threat posed by the Soviet Union. Hopefully, Soviet policies will be more flexible and rational. The likelihood exists, however, that many will be diametrically opposed to American objectives. In an unsettled world it will be hard to resist the temptation to attempt changes of political power

relationships. Such attempts would not be likely to involve direct aggression. They would more probably involve political influence backed by the implicit pressures of a highly mobile and effective military force.

Our relationship with the Soviet Union seems destined in the 1970's to continue to be an uneasy relationship, despite the unceasing search to narrow areas of conflict and to broaden areas where cooperation will accord with the interests of both nations. In this period neither the Soviet Union nor the United States will be in a position to control the lesser powers. Some of these may seek to take advantage of the fact that, while both the Soviet Union and the United States have unequalled power, neither is able to pursue its own unilateral interests without the most serious concern about the reaction of the other.

The growing acceptance of Jean Monnet's vision, that only by progressing from economic integration to political federation can Europe play the role to which its genius and capacity could entitle it, may see within the 1970's the emergence of Europe as a regional power. If this happens, Europe's evolving attitudes may seriously alter the existing balance between the United States and the Soviet Union.

As Japan begins to expand its political role and, perhaps, assume with increasing self-confidence a broader military role, its influence in Asia will be increasingly manifest. The Australian acceptance of its Asian role and its acceptance in that role by other Asian powers will make its influence increasingly important in the Asian balance.

We have already noted the welcome in Southeast Asia accorded to both Japanese and Australian efforts to provide assistance to hasten cooperative regional efforts for modernization. Such assistance will materially accelerate the achievement of the goal to organize and develop the enormous natural resources to provide united strength which will permit them to resist future aggression with a minimum of help from outside the area. We assume that achievement of this goal is so clearly in American interests that we will assist as appropriate.

In considering China, we found that we could share our cloudy crystal ball with others. We felt we could assume that the anarchy of the present transitional period would continue through much of the time frame with which we were concerned and would have serious effects on China's educational and economic systems. We did not feel that its incipient nuclear capability could, by itself, confer world power status on China.

It seemed to us that great patience and considerable ingenuity would be required as we attempt to bring China's new leaders to lessen its isolation from and hostility to the outside world. We believed we should fix on the goal of again engaging the pragmatic and creative genius of the Chinese people, with whom our own people have historic bonds of friendship and mutual respect, in the cooperative progress of the rest of the world. Although we did not expect realization of this goal within the time frame we were considering, we did believe it to be a practical goal—unless we again mislead the Chinese into thinking that aggressive adventures in Asia would not bring American assistance in response.

It would not be possible to record fully in this unclassified document the full extent of our consideration of the magnitude of American involvement abroad in the 1970's. Nor, as our colleagues certainly realize, did we have either the manpower or the time to examine much more than the surface indices. However, this discussion did help us focus more precisely on the subjects which are treated in the following chapters.

In summary, we noted the point made in our Committee's interim report last year that in the 1970's "U.S. responsibilities as a world power will not substantially diminish. . ." Our review led us to doubt that these responsibilities will diminish at all. It is the logic of events and the mere fact of America's enormous strength which create these responsibilities. It may be questioned whether we have either the will or the resources to meet these responsibilities, but it seemed to us imperative to recognize that

this is an entirely different question. Our review led us to conclude that we have both.

Accordingly, we agree only in part with the rest of the sentence quoted above: ". . . but the exercise of its authority will be more circumscribed by domestic and international constraints." Our review leads us to conclude that we can and will cope with the domestic transition now underway. We do agree, for reasons advanced above, that our ability to exercise our authority as freely as we did in the 1950's and 1960's will be subject to more "international constraints" in the 1970's.

In agreeing with the observation in last year's report that "national resources available for foreign affairs will be scarce relative to demands," we qualify our agreement by pointing out that "demands" for "resources for foreign affairs" arising in the 1970's will be infinitely greater than in the last two decades. While we may well not meet the full extent of such "demands," our review indicates the enormous growth in our own capacity during this time frame can provide ample resources to meet both our domestic needs and our fair share of resources needed in the field of foreign affairs, although modifications in the modalities of providing such resources are both inevitable and desirable.

Our review indicates the 1970's will probably see some reorientation of political relationships in the world, the possible emergence of new, strong regional powers, and increasing

tensions flowing from these processes of reorientation and also from the mounting frustrations of the "developing" nations. These changes will mark the 1970's as a period of great potential danger. However, as a former Career Ambassador recently pointed out, "change and opportunity go hand-in-hand." Equally as great as the potential dangers will be the potential opportunities.

To seize these opportunities will require of our nation several things. It will require of our political leaders in both the Executive and Legislative Branches a full understanding of the measures necessary to seize these opportunities and a mobilization of Congressional and public support behind them. It will require the engagement of the great genius of our academic community in devising new programs and new courses of action. It will require full support of our people, which we believe will be forthcoming when the issues are presented to them with clarity and candor. It will require a foreign affairs community reorganized and modernized to assure an efficient and economical conduct of foreign policies appropriate to the world of the 1970's.

And, above all, it will require the reconstitution of "The Foreign Service of the United States;" a Foreign Service with its non-political career status again adequately protected by appropriate statutory safeguards; a Foreign Service capable of meeting the challenge of the 1970's.

III

Modernization of Mechanisms to Administer American Foreign Policy in the 1970's

WE HAD NOTED, at the end of Chapter I in the record of our discussions, that it would be necessary to estimate what organizational forms the new Administration might use for the conduct of foreign affairs. We thought this an essential preliminary to a meaningful discussion of a foreign affairs personnel system.

Our discussion ranged beyond the frame of reference within which the Subcommittee on Leadership and Organization in Foreign Affairs had produced its excellent report, attached as Annex A-7.

We believed it necessary to start with the role of the new President. We noted that all authorities on the Presidency recognize that in no other field does the Constitution give the President such unique authority as in the field of foreign affairs. Our courts have consistently so held since our beginning as a nation. Therefore, the great central themes of American foreign policy have been uniquely the President's policy and will continue to be so in the 1970's.

We noted the varying techniques used over the past two decades to meet the President's needs. We found that the spectrum ranged from two extremes. In the 1950's, the layers of staffing almost seemed to isolate the President. In the 1960's, the often intense personal involvement of the President sometimes seemed to obscure the considerations that deeper perspective might have determined to be more relevant. Neither extreme, it seemed to us, best served the President.

The new President will, of course, determine his own pattern. He will and should shape the machinery in his own image. The President's attention, if American foreign policy is to be successful, must be consistently and fully engaged. We believed that the President's immediate office must be continuously staffed to guarantee immediate Presidential awareness of all significant events abroad. However, it seemed to us that the enormous burdens of the Presidency would seem to compel a search for modalities which would avoid monopolization of his

time or which, because of overly cumbersome machinery, would become a bottleneck in the making and implementation of decisions. Such a search seemed to us to be all the more necessary in view of the likelihood that the Presidency may be increasingly occupied with domestic concerns.

We considered this question at some length and concluded that, although several alternative courses of action were available, it seemed abundantly clear that detailed direction and control, on behalf of the President, of activities of the Executive Branch dealing with foreign affairs must be centered on the Secretary of State and his Department. We believe it clearly to be in the national interest that this be done. However, for such an arrangement to be effective, it will be necessary to bring about what some may regard as rather radical changes both in the structure of the Department and in its philosophy of operation. There must also be a recognition of the nature of the American bureaucracy which, if not fully understood and compensated for, will interfere with the implementation of such an arrangement.

We touched on the latter problem first, believing it would put our discussion in perspective. We noted that over the years the executive suites of our large industries and business organizations had been a productive recruiting area for Cabinet and sub-Cabinet posts. Examples which quickly come to mind include Messrs. McElroy, Wilson, Quarles and McNamara in the Department of Defense; later examples would include Messrs. Connor and Smith in Commerce. In most cases such individuals were accompanied by varying numbers of personal staff. Inevitably, American government in its large post-World War II expansion has been influenced by infusions of concepts and techniques of American industrial management. Many innovations were useful and beneficial. But at times the techniques and concepts, which may have proven their usefulness in Procter & Gamble or Ford, were either completely irrelevant or downright

mischievous in fields where subjective professional judgment simply had to be the determining factor. We noted that another infusion of somewhat different concepts came with the use of prominent military figures to administer certain civilian Departments.

From both sources came a reinforcing of the latent tendency to emphasize that loyalty be given only to those in the direct hierarchical chain of superiors from whom alone came advancement. There was erosion of the not uncommon pre-war practice of examining a situation and ascertaining whether there might be alternative courses of action to provide a solution minimizing the problems of interested agencies while still serving the national interest.

These new lines of loyalty had an immediate result in the establishment and operation of various mechanisms to "coordinate" the diverging interests of the expanded number of Departments and agencies now involved in foreign affairs. Objective consideration of national interests was decreasingly the paramount concern. The highest rewards were reserved for those who successfully defended their agency's point of view. If that supreme accomplishment was not attainable, the next goal was to block all action by withholding "concurrence." Robert A. Lovett described this process in the following words:

"This device of inviting argument between conflicting interests—which we can call the 'foul-up' factor in our equation of performance . . . needs some careful examination because there is, I think, a discernible and constantly increasing tendency to try to expand the intent of the system to the point where mere curiosity on the part of someone or some agency and not a 'need to know' can be used as a ticket of admission to the merry-go-round of 'concurrences.' This doctrine, unless carefully and boldly policed, can become so fertile a spawner of committees as to blanket the whole executive branch with an embalmed atmosphere."

Emerging from World War II, the Department of State found itself ill-equipped to cope with the activist thrust of other Departments and agencies in foreign affairs. Secretary Rusk has said:

"When I was on the General Staff in the Pentagon at the end of the war, the State Department at that time was not filling in all of the needs for policy leadership and guidance that were required at the Pentagon with its vast deployments all over the world. In effect, where there is a vacuum, those who have to act one way or the other have to make policy, and so we were making a good deal of policy in the General Staff at the end of the war."

And so they were, and so they still are. We wondered if Secretary Rusk, in considering the continuation of the process in which he once participated, did not feel at times that he might say with the psalmist, "My cup runneth over."

As Secretary Rusk has implied, Departmental attitudes in the immediate post-war years were still geared to deal with the pace of the 1930's. Its principal career officers, Departmental and Foreign Service, had little appetite for the more activist role the nation's radically changed position in the world demanded of the United States. However, under the spurs of Secretaries Byrnes, Marshall and Acheson, the Department had begun to gear itself up to move in this direction.

As we have previously observed, different Secretaries of State bring with them varying theories of their proper role. Some have understood the bureaucratic realities and moved to bring within the Departmental fabric those agencies which deal exclusively in foreign affairs. Others have preferred to emphasize only that part of their role which casts them as the principal foreign affairs adviser to the President. But in either case, certain pressures and limitations on the Secretary's role were unavoidable.

The Department of State was the first Cabinet Department to be created when our Government was formed. As such, it is the senior Department, and the Secretary of State is the senior

Cabinet officer. Although the Secretary of State may be *primus inter pares*, the normal pressures from their own bureaucracies (as inevitable as they may be subtle and indirect) have always compelled his Cabinet colleagues to emphasize the *pares* and to play down the *primus*.

These pressures continue to be felt. The limitations, flowing from the line organizational concepts alluded to above, will continue to exist. Hopefully, with a more effective organization of the Department, these pressures and limitations will diminish. But we felt that, no matter how dynamic and forceful the personality of the new Secretary, it would be unrealistic to expect them to be wholly eradicated. There will still be limitations inherent in the system of "checks and balances" arising from the interests, ambitions, and attitudes of other Departments and agencies in the field of foreign affairs. In many cases, these are quite legitimate interests, and in a shrinking world they will likely grow. The resources available to these other Departments will often be essential to the achievement of American foreign policy objectives.

We thought it would be wise to recognize, in this imperfect world, the evident difficulties of securing effective bureaucratic response except in a different line relationship. We concluded, therefore, that if effective management is desired, all major agencies whose primary function involves foreign affairs should be situated within the framework of the Department of State. Excluding the question of relationships with the Central Intelligence Agency, as we must in an unclassified summary, we reached the conclusion that only one major action would be necessary to achieve this goal.

After the information function was withdrawn from the Department in accord with the desire of Secretary Dulles for the Department to concentrate on "policy" and divest itself of "operations," the feasibility of this action was kept under continuing review by President Eisenhower's Commission on the Reorganization of the Government, whose membership included Nelson Rockefeller, Arthur Flemming, Milton Eisenhower and Don K. Price. They finally concluded that the nation's interest would be best served by returning USIA to the framework of the Department of State and so recommended to the President. However, time was too short for this to be accomplished in the remaining period of the Eisenhower Administration.

We believe that recommendation to have been a wise one. We believe the new President should use his reorganization powers to place USIA within the Department as an autonomous unit, as is AID now, and that the Director of USIA should rank as an Under Secretary of State as the Administrator of AID now does. We noted that the Arms Control and Disarmament Agency and the Peace Corps were already situated within the framework of the Department.

We noted the subcommittee's recommendation that:

"The heavy responsibilities of the Secretary as principal foreign affairs adviser to the President require that he be able to devote himself unreservedly to the major problems of war and peace and to the other principal issues of the national interest. For this purpose we believe he requires full-time assistance from his second in command, to act as his *alter ego* as well as his deputy. To enhance the concept of the *alter ego* and to distinguish him clearly from other senior officials, we recommend that consideration be given to changing the title of the Under Secretary to that of Deputy Secretary."

We completely endorse the thrust of his recommendation and believe a primary objective to be the provision of relief to the most overburdened member of the Cabinet—the Secretary of State. In addition to the awesome responsibilities already alluded to, we note that the currently accepted philosophy governing his role demands of him that he keep his relationships with the Congress in good repair; that he fulfill the role, through public appearances and his relations with the press, of the educator, the

leader and moulder of public opinion; that he administer a great Department of government; that, additionally, he discharge Presidentially-directed responsibilities for "over-all direction, coordination and supervision of interdepartmental activities of the United States Government overseas;" and that he fulfill the enormous representational responsibilities abroad now devolving personally on the Secretary of State.

Our consideration of this latter item led us to suggest a different title for the number two position than that suggested by the subcommittee. As an expected act of international courtesy, protocol demands the presence of the Secretary at ministerial-level sessions of the organizations of which the United States is a member. Additionally, there are special visits which *must* be made at ministerial levels to many countries. Simple arithmetic attests how onerous, how emotionally and physically exhausting, this representational requirement has become. In the almost eight years since assuming office, Secretary Rusk has represented the United States at 125 conferences, 109 of them in other countries. Actual attendance, including travel time to and from conferences abroad, has taken up part or all of 376 days. Not included are the almost 100 days the Secretary has spent in New York City during the United Nations General Assemblies. Adding it all together, Secretary Rusk has spent one-fifth of his incumbency attending conferences.

For a variety of reasons, Secretary Rusk might have chosen to attend many of these conferences even if his attendance had not been required. At present, it is simply not possible to exercise an option not to attend without risking grave offense to other Foreign Ministers. It seemed to us that the national interests might have been better served by an arrangement giving the Secretary an option to attend to matters he might deem to be of a higher priority.

We thought that the title of the number two position might be changed to that of "Foreign Secretary." The title is deliberately general and ambiguous to avoid apparent conflict between the new post and the office of the Secretary of State. Abroad, it would be acceptable as being of ministerial rank and its uniqueness would afford certain other advantages which would be useful within the United States Government. It seems to us very clear that, as the subcommittee recommends, the number two man in the Department be truly the Secretary's *alter ego*. As such, the Foreign Secretary should be invited to attend Cabinet meetings, for it is certainly an anomaly that the Ambassador to the United Nations is now invited to attend these meetings but not the Under Secretary of State—whose substantive role is far broader and more authoritative than is that of the United States' spokesman in New York. And we believe that, to underscore the uniqueness of his position, his compensation should be fixed at Class I of the Executive Salary Schedule, as is that of the Secretary of State.

Perhaps the most important single ingredient necessary to ensure that the new President's needs are met by the Secretary and the Department is the full acceptance of the responsibilities delegated by the President in National Security Action Memorandum 341 (Annex B). It is a remarkable document. Its history is even more remarkable and attests to the level of high statesmanship servants of this nation do achieve. Its principal architect was a former Chief of Staff of the United States Army, a former Chairman of the Joint Chiefs of Staff, a many-time Presidential adviser, who also served as Ambassador in an extraordinarily difficult assignment. Out of the depths of his background, from a deep and abiding desire to slash through all parochial and bureaucratic considerations to arrive at an arrangement best designed to serve his President and his nation, came the recommendation to center control and direction of foreign affairs on the Secretary and Department of State.

It was a wise decision. It has not been made truly effective. It should be made effective by the new Administration. But if the number two position in the Department is to function as the true *alter ego* to the Secretary, its implementation should be centered

on the new number three position recommended by the subcommittee in line with the recommendations of the Herter Committee. Although the subcommittee expressed no preference between the titles of "Executive Under Secretary" and "Permanent Under Secretary," we believed that the title of "Permanent Under Secretary" was preferable for the reasons so cogently advanced by George Allen and James Rowe in their comments in the Herter Report. However, we thought it quite clear that the word "Permanent" adheres to the position, not to the individual who must be chosen by the Secretary and the President and hold the position at the pleasure of the President. We believe that the establishment of such a position, subordinate only to the Secretary and his *alter ego*, the Foreign Secretary, will bring together the lines of policy and executive management at an effective level as they are not now.

We were aware of the question whether the danger exists of overloading the incumbent of this position; whether it is not too powerful a position; and whether it might not become an impossible bottleneck. Our deliberation led us to conclude that, while answers might be in the affirmative, there was no need for them to be so. It will depend on the capacity and background of the individual chosen and on the philosophy and modalities of operation agreed by the Secretary.

There would be little difficulty in setting a pattern relieving the Permanent Under Secretary of all but the lightest representational responsibilities, these being largely borne by his superiors and the Assistant Secretaries. Similarly, although he would always be available to the Congress, the major burden of Congressional presentation would be borne elsewhere. Establishment of these two patterns alone would double the effective time he could devote to managing the Department.

An acceptable philosophy of operations would be that the Permanent Under Secretary would not "operate" but ensure that "operations" are carried out in accordance with the policies of the President, the Secretary, and the Foreign Secretary. He is not to supplant the Assistant Secretaries, but to ensure that they do operate or recommend that they be replaced by those who can. He is not to stand between the Assistant Secretaries or directors of the autonomous units of the Department and the Secretary, but to ensure that matters presented to the Secretary are accompanied by all relevant facts and alternatives. He must have appropriate staff for this purpose.

We also endorsed the second recommendation of the subcommittee that the staff serving the Senior Interdepartmental Group be increased. Indeed, we believed successful implementation of the responsibility imposed on the Secretary by the President in NSAM 341 involved the creation of small independent staffs for the Permanent Under Secretary as Chairman of the SIG and for the Assistant Secretaries as Chairmen of the IRGs. Among the criteria suggested for members of such staffs, and for Assistant Secretaries and Country Directors as well, would be an ability for objective analysis, the ability to keep considerations of national interests paramount, an experience broad enough to understand and evaluate the legitimate interests of other agencies, and an outward oriented approach enabling them to engage the active participation of the expertise, capabilities and resources of other agencies, confident that such engagement can be controlled and harnessed and directed to the advancement of specific foreign policy objectives.

All this we thought to be quite within the realm of the feasible. It will not come overnight. Although, fortunately for the nation, such personnel exist in the Foreign Service and the Department—if not yet in adequate numbers—it will take time to put the proper people in the proper places. It will take a bit more time for them to accept the fact that they are really expected to assume these responsibilities: Country Directors must accept the responsibilities Secretary Rusk intended they assume; Assistant Secretaries must make the decisions their IRG responsibilities require of them, decisions supported by thorough analysis they must be equipped to make. In this regard, we

endorsed the conclusion of the subcommittee that the Department should do more and better planning and that there should be integrated planning and programming of resources under Department leadership.

Especially during this transition period and also after it because of the limitations inherent in the fact that the Secretary and the Department are a part of a very large Executive Branch, we concluded that the role of the Ambassador will be particularly important.

To meet the Nation's needs it seemed to us clear that in fact as well as in reluctant and grudging observance of ancient international tradition, an American Ambassador must be "the President's man."

The use of the phrase "the President's man" serves to underscore the fact that an Ambassador cannot function properly as the representative of any agency or Department, not even the Department of State. Even if drawn from the career Foreign Service, he cannot function as a member of the Foreign Service of the United States (although a prudent concern for the future of our country would indicate that the preponderance of Ambassadors should be drawn from the Foreign Service). The nation must always be able to reach out for a David Bruce, an Ellsworth Bunker, or a Douglas Dillon, examples of the gifted non-professionals who have served as Ambassadors with great distinction.

We found it remarkable how little known is the fact that an Ambassador drawn from the Foreign Service is suspended from the Foreign Service the moment he takes his oath of office as Ambassador. The framers of the Foreign Service Act of 1946, clearly recognizing this necessity, wisely provided this separation and carried it to the point of specifying in Article 519 that reintegration into the Foreign Service upon the completion of his mission by an Ambassador not be automatic but be accomplished by a positive act of reassignment. If not reassigned within ninety days after relinquishing his status as an Ambassador, a Foreign Service Officer is automatically retired.

The President's Letter of Credence is still presented by an Ambassador to the Chief of State, never to the Head of Government. While the form has been preserved, the realities in most cases are considerably different.

We have previously commented on certain apparently immutable bureaucratic relationships which will inevitably impose various limitations on the Secretary and the Department. The new President and the new Secretary of State and his principal Departmental assistants must guard in every possible way against the transfer abroad of these inevitable Washington pressures and limitations. It is suggested the first step should be to re-examine thoroughly the "Country Team" concept. This was a useful innovation, and depending on the Ambassador involved, it worked well as a transitional instrument. It has no basis in statute, executive order, or regulation. Some of us thought its main defect was that it perpetuated Washington techniques under the illusion that their transference abroad provided a workable mechanism for the "coordination" of the viewpoints of field representatives of independent Washington agencies having interests in Country X.

Its basic thrust was that the Ambassador was regarded as the representative of the Department of State (the senior Department of Government), was recognized as the senior representative present, and was entitled thereby to take the chair.

Serious differences between agency representatives were all too often referred to Washington where the process of litigation, harmonization, compromise and concurrence, again all too often, ensured that an eventual decision was either irrelevant or had been overtaken by events. Some of us were of the opinion that the observations of Robert A. Lovett, although made eight years ago, have an intensely immediate relevancy:

"Government has now become gigantic at the very moment in history when time itself is not merely a measure, or a

dimension, but perhaps the difference between life and death. . . . This huge organization would be hard enough to run if authority were given where responsibility was placed. Yet that frequently is not the case."

In determining the role of the Ambassador now and in the future, it just must be the case that authority be commensurate with responsibility. It can be the case if the new President, his new Secretary of State, and the principal officers of the Department determine that it will be.

If we must have names for an implementing concept, a much more relevant and accurate delineation would result from the use of "The United States Diplomatic Mission." The phraseology, as well as the concept, has a statutory base in the language of the Foreign Assistance Act. The phrase also has a basis in international law deriving from the wording of the bilateral agreements setting up our military and economic assistance missions abroad. These specify that these missions shall be considered by the host government as part of the United States Diplomatic Mission under the direction and control of the Chief of that Mission.

Any representation of any United States Department or agency must be a component part of the US Diplomatic Mission. This includes the Embassy as the Department of State component, with the Deputy Chief of Mission acting as head of the State element and responsible for its position. This is a role for the DCM over and beyond his responsibilities as the Ambassador's *alter ego* and second in command of the entire US Diplomatic Mission.

The Ambassador, as the personal representative of the President of the United States, must assume responsibility in the President's name for everything the United States Government does in the country to which he is accredited. To discharge that responsibility, he must also assume command in the President's name of all activities of all US personnel in the country. No Ambassador worthy of such authority is likely to abuse it. If he does, the remedy is not constantly to overrule him, but to dismiss him.

In the few cases where this concept has already been tried, the results seem to indicate that American interests were considerably better served.

Several crucial factors are essential to the successful implementation of this expanded role the Ambassador must fill in the future. The first and foremost is for the new President to make it crystal clear from the outset that he expects his Ambassadors to be just that—*his* Ambassadors—and to require all Departments to recognize that any challenge to *his* Ambassador's authority will be regarded as a direct challenge of the President's own authority, to be dealt with on that basis.

Since the Department of State is the Cabinet Department charged with foreign affairs and the Secretary of State is the President's principal adviser on foreign affairs, the Ambassador will normally receive his instructions from the Secretary and report to the Secretary on the progress of his mission. However Presidents have, from time to time, used other channels, and any consequent limitation on the Department and the Secretary cannot similarly limit the Ambassador. Direct communication with the President should be rare, but the Ambassador must exercise the right of direct access to the President on matters he believes require the President's personal intervention.

Another element crucial to the success of the Ambassador's expanded role is that of American communication channels. Normally he will use the Department of State channels. But, as the President's representative, all channels including Defense and CIA are available to him. Similarly, since all communications routed to or from the country to which he is accredited, treating with any aspect of American concern or involvement with that country, involve the President's business, these communications must be available to the Ambassador if he so requests. This is essential and he must exert whatever disciplinary measures are required to enforce compliance. However, it would be a very un-

wise Ambassador who would attempt to suppress the "back channel" messages—messages by secure channel to designated recipient without other distribution. The American military have long since developed the "back channel" technique to the state of fine art. It is a most useful tool to have available, particularly since an Ambassador cannot be assured of similar inviolable privacy through State channels.

The last crucial factor involves control of access. No compromise can be made with the Ambassador's authority to exercise absolute control over access of all senior Americans to senior officials of the local government. This applies to the substance directed to be conveyed to a local official by a Department or agency in Washington as well as to the fact of access itself. When this is understood, local ground rules are quickly and easily achieved. But it is manifestly impossible to have different American elements in any country authorized to communicate with senior members of the local Government without the knowledge of the Ambassador or the Secretary of State.

President Kennedy's letter of May 29, 1961, to American Ambassadors was a welcome additional step to the one previously taken by President Eisenhower in February, 1960, directing Acting Secretary of State Douglas Dillon to convey to all Ambassadors the President's desire for the U.S. Chief of Mission in each country to exercise full power of coordination and direction over all U.S. Government programs being conducted in that country. However, in Saigon the effect of President Kennedy's letter was vitiated by a simultaneous letter to the General commanding the Military Assistance Command authorizing him direct access on his own initiative to the senior officials of the South Vietnamese Government, a privilege already exercised by the CIA station chief.

It would be difficult to find a responsible official who would now defend the authorization of independent direct access to the South Vietnamese Chief of State and his senior officials by representatives of various Washington Departments and agencies who often had diametrically opposite counsel on how the Government of South Vietnam could best meet the mounting threat of aggression. In retrospect, one might consider as apposite Ben Johnson's comment about the dog that walked on its hind

legs—the remarkable thing was not that the dog walked badly, but that it walked at all.

An instructive footnote is added with the story that on the appointment of Maxwell Taylor, a very great American, as Ambassador Extraordinary and Plenipotentiary to Vietnam, the first item on the agenda of the first meeting dealing with his new responsibilities was the revocation on the letter to COMUSMACV, and the substitution of a new Presidential directive to Ambassador Taylor authorizing him to assume control over all American elements in Vietnam, including such command control over COMUSMACV that Ambassador Taylor might deem it useful to assume.

Elsewhere, other American Ambassadors, without such Presidential letters, assumed such authority to be implicit in their Presidential commissions as Ambassador, and acted accordingly. They had been drawn from the Foreign Service of the United States, which has many more like them if the new President chooses to use them.

Many other actions suggested themselves, but we thought the temptation to toy with peripheral matters must be resisted until the truly basic problems have been addressed. Then solutions to lesser problems become rather quickly apparent.

The major necessary actions thus are: a decision by the new President to resist the temptation to organize his own White House foreign office—rather, he should insist on the full implementation of NSAM 341 by the Department of State; the creation of the new position of Foreign Secretary as the second ranking post in the Department; the creation of the new post of Permanent Under Secretary; the selection of Assistant Secretaries and Country Directors who are capable of accepting, and willing to accept, the full responsibilities of the role envisaged by NSAM 341; and the full support by the new President of the role of the Ambassador as we have outlined it in the above paragraphs.

We believe the recommendations set forth in the excellent report of the subcommittee and the very few additional suggestions we have recorded above will provide a system for the conduct of foreign affairs that will fully meet the needs of the new President and of the nation.

IV

A Basic Personnel Structure to Meet Foreign Affairs Needs of the 1970's

NO ELEMENT of our deliberations was as difficult and complex as those involving the kind of basic personnel structure which would best meet the needs of the nation in the 1970's. There were many reasons for this. Quite literally the possible combinations of personnel systems that can be patched together are infinite. Indeed, we found this had been the history of our foreign affairs personnel framework over the past two decades.

We were somewhat handicapped by the fact that the concept of "The Foreign Service of the United States" as a single professional service which would provide staffing for all major foreign affairs had become almost completely eroded. We found that the personnel planning staffs in the principal foreign affairs agencies were almost exclusively engaged with their own parochial concerns. In the Department of State, for example, all personnel planning was obviously geared to the "Little England" concept of "The Foreign Service of the Department of State." The Board of the Foreign Service we found to be regarded as an anachronistic vestige whose retention in its truncated "advisory" role was a necessary facade to provide the illusion for the

Congress and the other agencies that the "Foreign Service of the United States" still existed.

None of the personnel planning we have seen really addresses the needs of the nation or the needs of the new President. Despite the clear signal of the Chairman of the Senate Foreign Relations Committee that Congressional patience with the temporizing, with the patching and pasting, was becoming extremely frayed, we found that consideration was being given only to those problems comprehended within the "direct line" budgetary framework of agency responsibilities, thus validating once again the apparently immutable bureaucratic laws to which we have alluded in a previous chapter.

We were further handicapped during our deliberations by the uncertainty as to the ultimate fate of S.633, designed to provide long-overdue career status for the personnel of USIA, an objective specifically endorsed by the Board of Directors of the American Foreign Service Association and thoroughly supported by its membership. Some of us would have preferred use of existing statutory authority to bring USIA personnel directly

within the Foreign Service of the United States. This required the advice and consent of the Senate, which had not been forthcoming on a previous attempt. We were determined, however, to do nothing which might in any way interfere with this latest attempt to secure permanent career status for USIA personnel, a status long since earned by the excellence of their performance in a vital and permanent part of the conduct of United States diplomacy.

Early in our discussions we became convinced that patchwork was simply not good enough, not good enough to meet the needs of the new President, not good enough to meet the needs of the nation in the period we see ahead for the United States, and not good enough for the men and women who have devoted their lives to the service of this nation in the field of foreign affairs. For more than two decades they have endured with considerable patience and fortitude study after study, patchwork change piled on eternal tinkering, with promotion and other criteria changed almost with each new selection cycle. In this patient group we include the group of dedicated civil servants in the Department as well as our professional colleagues in USIA and AID, for whom the uncertainties must have been even more galling. While we would describe morale as basically good, it is a morale which comes from the satisfaction of professional engagement in work of vital importance to the nation, from the satisfaction of knowing that on the whole the interests of the nation have been well served. Certainly it does not come from participation in a stable and smoothly run personnel system.

We were aware of the masochistic streak that feeds the American tendency to downgrade its accomplishments abroad. Nevertheless, we were puzzled at the conclusion of professionally qualified observers of other nations that the United States had perhaps the best Foreign Service of any major nation in the world today. We concluded that, if this were true, the explanation could probably be found in three factors. The first was the basic excellence of the examining process. In the selection of those for initial entry as well as for lateral entry, the Board of Examiners on the whole had given the nation an excellent professional corps chosen from the best talent the nation had to offer. The second factor, we thought, was that the basic structure created by the Act of 1946 was so sound that it had not only been utilized by the other foreign affairs agencies created after its passage, but it had also survived periodic tinkering and occasional periods of maladministration. The third factor was the existence of the Board of the Foreign Service. Until three years ago, its statutorily independent role inhibited tinkering with the system and served as a barrier to political abuse of the career service.

In the beginning, the Subcommittee on Personnel Systems, noting that for over two decades it had been impossible to administer the Foreign Service Act of 1946 as originally intended, contemplated the complete scrapping of the existing system and the tabling of a completely new Act which would embrace the totality of the foreign affairs community. While the rank-in-man principle would have been retained, the resulting system would have been closer to the Civil Service than to the concept of a disciplined commissioned Foreign Service we presently have. It was a workable system. Indeed, it is apparent that the extension of the present Civil Service system to cover foreign affairs abroad would be a workable system.

There gradually emerged a consensus that, while these other alternatives might be "workable," they would not serve the nation as well as a system specifically designed to take into account the peculiar problems in foreign affairs. We recalled our summary, recorded in Chapter I, of the excellent way the original Act of 1946 had met these unique requirements. We arrived at the conviction that the course which would best serve the nation would be to insist on the full implementation, for the first time, of the Foreign Service Act of 1946 as it was originally conceived by its farsighted drafters in the Foreign Relations and Foreign Affairs Committees of the Congress.

With the passage of S.633, it seemed to us that the prospects for achievement of this goal were better than at any time since the passage of the Act of 1946. This new Act creates a foreign affairs personnel system for USIA which is almost completely compatible with that of the Act of 1946. Only a few actions are necessary to achieve complete compatibility. The efficiency and excellence of the personnel administration of USIA should make these easily realizable. If, as we have previously recommended, USIA is brought within the framework of the Department as an integral, though administratively autonomous unit, this process will be greatly facilitated.

An essential ingredient of any career personnel system is a mechanism to provide basic standards and rules and to protect it from political abuse. This is firmly accepted as a universal principle. The Civil Service Commission provides this essential safeguard for the Civil Service and does it very well. Its ability to do so depends on the statutory authority with which the Congress has invested it and on its independent position within the Executive Branch.

We noted that this had been the concept of the framers of the Act of 1946. Since at that time the great preponderance of the personnel covered by the Act were serving the Department of State, the Board of the Foreign Service was physically located within that Department, although its statutory independence was unequivocal, as was that of the Board of Examiners and the Director General of the Foreign Service.

We have already recorded in Chapter I a brief account of the steps that eroded the authorities of these instrumentalities to the point where they have become practically inoperative in terms of the functions they were set up to perform.

We strongly recommend that the new President use his reorganization powers to restore the independence of the Board of the Foreign Service, the Board of Examiners, and the Director General of the Foreign Service. If this is not feasible, then we recommend that the Congress do so by specific statutory enactment.

The greatly expanded role of this nation in the world has inevitably necessitated increases in the personnel serving its foreign affairs interests. The present levels will continue to be necessary, despite the quite human and understandable desire of some of our senior retired officers to see the Foreign Service return to its pre-World War II levels. The size of the Foreign Service in the 1970's will require, for efficient administration, a certain degree of decentralization of administration.

Rather than return to the full authority of the Director General to "administer" the Foreign Service of the United States as specified in the Act of 1946, we would recommend that the Director General be the executive agent of the Board of the Foreign Service in supervising a small but highly competent staff which would engage in forward planning and monitoring compliance with rules, standards, and precepts promulgated by the Board of the Foreign Service for the administration of the Foreign Service of the United States. The Director General should also supervise the work of the Board of Examiners in recruiting for all foreign affairs agencies.

Each of the principal operating echelons, the Department of State for normal State activities abroad, USIA and AID, should be given authority to administer the Foreign Service personnel serving its functions, such administration to be governed by the standards, rules, and precepts promulgated by the Board of the Foreign Service. We would envision the delegation to the autonomous operating agencies under such standards to include operation of the promotion system through Class 3. Competition for such promotion would be within each agency and not service-wide. We would also envision standards which would permit transfer between agencies on a flexible basis to accommodate the evolving career desires of individuals to the greatest extent the over-all interests of the Service will permit as well as to broaden the experience base of particularly able and promising officers.

In order to give the Secretary of State and the President the broadest possible spectrum of choice for senior positions, we would recommend that promotions to Classes 2 and 1, as well as to Career Minister and Career Ambassador, be considered by panels directly convened by the Director General in accordance with precepts approved by the Board of the Foreign Service. Competition for promotion to these classes should be on a service-wide basis.

In subsequent chapters we will comment on certain details of personnel administration which we believe deserve consideration. We will also make recommendations for an equitable handling of the "home service." But we believe the basic recommendations we have set out above are immediately applicable to Foreign Service personnel performing normal State and USIA functions abroad.

The personnel serving AID foreign affairs functions present a more complicated problem. In any objective review of the successes of American foreign policy over the last two decades, it is impossible to escape the conclusion that the able and dedicated professional staff of AID and its predecessor agencies have made a major contribution. This contribution is all the more significant since for all this period the personnel involved in the "development" function have been denied coverage under a stable personnel system. This has not been in the national interest in the past, and we believe, it is not acceptable for the future. While we believe the involvement of this nation in the world-wide "development" process is vital to the achievement of American foreign policy objectives and will, therefore, be continued, the scope and nature of such involvement is still evolving. In Chapter II we had concluded that it was highly likely that we would, in the future, channel much more of American resources devoted to "pure economic development" through such institutions as the IBRD, IDA and the regional international lending institutions. A new Administration will probably, as have all past Administrations, recast the organization of the "development" function to meet its own criteria. What effect both these factors will have on the requirements for personnel in AID is presently unclear, although the first factor would seem to indicate that some reductions could reasonably be anticipated.

We believe that the experience of USIA has a certain relevancy. We recalled that at a comparable period, before the permanency of the information function as a vital tool of United States diplomacy had been universally accepted, USIA Director George Allen had instituted a careful process of screening. This resulted in the identification of a core of officers whose breadth of background and whose record of superior performance clearly marked them as qualified for present or future senior assignments in "program direction" in the overseas information field.

We would hope that the new Administration will take quick action on the recommendation for the restoration of the authorities of the Board of the Foreign Service and the other recom-

mendations allied with this primary one. Pending such action, we strongly recommend that AID, in cooperation with the Director General, immediately undertake the preparatory steps necessary for the institution of a career service in AID, as was previously done by USIA.

We would hope that when this screening process is completed, the new President will nominate the individuals so selected for appointment as Foreign Service Officers, and we hope the Senate will give its advice and consent.

In sum, to provide a basic personnel structure to best secure the foreign affairs needs of the new President and the nation in the 1970's, we believe that no variant yet proposed will serve as well as the framework provided by the Foreign Service Act of 1946. It has never really been implemented. We believe it should be. To do so will require the following first steps:

—The reconstitution of the Board of the Foreign Service. Whether it is located within the Department of State or outside is not a material consideration, although we believe the weight of the balance indicates it should be within the Department. In any case, its independence must be assured by either Presidential or Congressional action. To emphasize its crucial importance, we incline to favor Congressional action. The Board will obviously require membership from State, USIA, AID, Commerce, and Labor. We believe the chairman of the Civil Service Commission should continue as a member. We recommend that the Chairman should be a figure of national importance, perhaps drawn from outside the Government. We have in mind an individual such as Joseph E. Johnson, Don K. Price, James A. Perkins or James Rowe.

—Similar action should be taken to restore the independent authority of the Board of Examiners, which would be given the responsibility for recruitment for all foreign affairs agencies served by the Foreign Service of the United States.

—The Director General of the Foreign Service should be answerable only to the Board of the Foreign Service and would act as its agent in supervising the staff serving the Board and the operation of the Board of Examiners.

—The existing Foreign Service personnel serving the Department of State and USIA should continue to be administered by each organizational entity under the rules and precepts promulgated by the Board of the Foreign Service and monitored by the Director General.

—In anticipation of action re-establishing the independent authority of the Board of the Foreign Service, AID should immediately undertake, in cooperation with the Director General, to conduct a screening process similar to that previously undertaken by USIA.

—When the attitude of the new Administration and the Congress is ascertained regarding the future dimension and scope of the "development process," steps should be taken to bring AID personnel into the Foreign Service of the United States in appropriate categories.

V

The Home Service

ONE OF THE oldest problems in the bureaucratic lexicon is the coexistence of dual personnel systems. In the foreign affairs agencies, one system revolves around the rank-in-man concept necessitated by the requirement to accept world-wide assignment wherever the "needs of the Service" may dictate, and another is designed for those who prefer to stay at home and whose personnel framework is that of the Civil Service. Many other Departments have faced this problem, however, and seem to

have solved it without much difficulty.

There are, of course, the military Departments, each with its military as well as Civil Service components. The Department of Health, Education and Welfare has within its far-flung Civil Service establishment a commissioned Public Health Service, whose basic framework is drawn from the military, and whose compensation is fixed by the legislation governing military pay and allowances. The same is true for the Department of Com-

merce, where the old Coast and Geodetic Survey, now incorporated within ESSA, is also a commissioned service whose compensation is fixed by the military pay acts. Again, the same is true with the Coast Guard within the Treasury Department.

Therefore, although we tend at times to regard our problem in foreign affairs as unique, it would appear that other Departments seem capable of administering dual systems. We would hesitate to suggest that those in charge of the administration of the foreign affairs agencies are not as capable as the administrators of other Departments.

If the administration of dual systems seems perfectly feasible, it seemed useful to explore why the conventional wisdom in the Department of State has coalesced around the position that it cannot be done in foreign affairs. Here again, a bit of background might help us achieve a better perspective.

It was hard for some of our younger officers to realize that before the Rogers Act it was not uncommon for Foreign Service personnel to stay abroad for many years without ever returning home. There are cases where more than two decades elapsed before an individual assigned abroad was able to return to the United States. It was not until the Foreign Service Act of 1946 that regular home leave at periodic intervals became an essential condition of service. It took another decade before "Wristonization" opened up enough positions in the Department to permit the rotation of field-home assignments in anything like the pattern which is now normal.

Throughout most of the earlier period, although the inequities and hardships were largely on the Foreign Service side, there was an amicable relationship between the two categories of personnel. The primary reason seems to have been that during almost all of this period, the Foreign Service and the home service were administered separately, the latter by a Departmental Personnel Division, staffed with competent and able professional Civil Service technicians, and the Foreign Service by similarly competent Foreign Service personnel. Similar patterns seem to have existed with separate personnel administrations in the other Departments having dual systems.

Part of our recent problems have arisen, we suggest, with the attempt to administer both systems by a single personnel establishment whose administrative leaders have been sometimes largely Civil Service and sometimes largely Foreign Service. Drawing from their experience, these administrators have naturally tended at times to attempt application of perfectly valid Civil Service techniques to the Foreign Service with results that were not always happy. Sometimes the reverse has been true, and civil servants have had similar complaints that Foreign Service techniques did not work when attempts were made to apply them to situations where rules had long been established by the Civil Service Commission.

That tensions and strains would be acute under such conditions, we did not find at all remarkable. The fact was noted that a decade after the wrenching experience "Wristonization" proved to be for our Civil Service colleagues, there was still no certainty of what new pattern might be added next year. Their patience and fortitude, we thought, must by now be stretched rather thin.

It seemed conclusive that if the decision taken earlier this year to return to the Civil Service those positions which had been too precipitously changed to Foreign Service Reserve positions in anticipation of the original Hays Bill was to be implemented, there was an adequate body of experience to ensure that it could be made to work.

Yet, we were not at all certain that this was the course that would best serve the needs of the nation, the new President and the new Secretary of State.

We were certain of several things. The first was that there is a need in several areas of the Department for a degree of continuity that would be difficult to obtain by staffing from the Foreign Service without seriously distorting the competitive promotion system on which a healthy Foreign Service must de-

pend. The Bureau of Intelligence and Research seemed a case in point. Certainly an infusion of Foreign Service Officers can provide a balance and additional perspective which is highly useful; yet the need for the continuous application of the expertise of our Civil Service colleagues has been invaluable in providing an institutional memory, as well as intimate and detailed knowledge of the other agencies in the intelligence community. The same conclusion would be applicable to the Bureau of Economic Affairs, to the Bureau of Public Affairs, to the Bureau of Security and Consular Affairs, to the Bureau of Cultural Affairs, to the Legal Advisors' Office and certainly to the range of support services which are vital, without which the Department simply could not operate, and which most of us tend to take for granted.

We were also certain that the Department of State had attracted over the years an extraordinarily able, talented and dedicated group of civil servants who had made an enormous contribution to the conduct of the foreign affairs of this nation. We were equally certain that any personnel arrangements which did not accord scrupulously fair treatment to this group would not be in the national interest.

We have found only two basic reasons which have been advanced to justify the pressures to move to a "single" personnel system within the Department. We find neither of them persuasive. The first alleges that it is too difficult to administer two systems—the Foreign Service and the Civil Service—within the Department of State. Since precisely this is being done quite well in six other Departments and subdepartments of this Government, all of them larger than the Department of State, the solution to this "problem," if indeed it exists, seems obvious.

The second reason advanced is that it is too difficult to fire people under the Civil Service. If this were true, which it is not, it would be difficult for us to accept this as a worthy motive or to accept the generic indictment of the Civil Service system implied. It is our opinion that the Civil Service Commission under the leadership of its present Chairman has given the United States the most progressive Civil Service System of any nation in the world, and one perfectly capable of staffing the permanent domestic needs of the Department of State.

It was our thought that perhaps we had been caught up in yet another validation of Harold Laski's essay of three decades ago on "The Limitations of the Expert." Personnel experts, as well as those of other disciplines, can sometimes be obsessed with a passion for "symmetry," an obsession to force everything into one pattern so great that it becomes an irrelevancy that the resulting "symmetry" serves not quite so well as would a well-managed bit of diversity.

The advantages to those in the "home service" of returning to the clean division between the Foreign Service and the Civil Service are considerable. The primary advantage would be the lifting of the fog of uncertainty that has existed for well over a decade. A decision to return to the Civil Service system would allow them to regard their future as stable under a system where the conditions of tenure and service were well-established and well-understood. If it were considered useful, as it would be in many cases, for a Civil Service officer to have a tour of duty overseas, a temporary appointment in the Foreign Service Reserve would always be available with a guaranteed return to the Departmental Civil Service position.

An alternative arrangement would be a conscious decision to adapt the military system of the career reservist to our own needs. Under such a system a reserve officer, with his consent, can be retained on duty indefinitely, but without tenure. While on active duty he has the same conditions of service as the regular officer. If he serves for 20 years, he is qualified for retirement on the same basis as regular officers. But if there is a reduction in the total number of officers required, the reserves are returned to inactive duty. This is the condition of all Foreign Service Reserve Officers today with two exceptions. They are under the Civil Service Retirement System, and there is a

statutory limitation on the number of years the Secretary of State may keep them on duty.

If it were desired to adopt such a system, it would only be necessary to remove the present limitation regarding the length of time the Secretary can keep the Foreign Service Reserve Officers on active duty and to provide that after twenty years service they would be brought under the Foreign Service Retirement System.

At the end of our discussions we were faced with the precipitate implementation of the House-sponsored amendment to the USIA career legislation, which would have foreclosed this choice. This was wisely postponed to permit a serious study of all the implications that would flow from such action.

We believe that we have no choice except to recommend against any attempt to implement the provisions affording permanent tenure to Reserve Officers. The provision of tenure for Reserve Officers is not compatible with the maintenance of a healthy and viable basic Foreign Service personnel system. We arrived at this decision with great reluctance, primarily because of its sponsorship by Rep. Wayne L. Hays, Chairman of the Subcommittee on State Department Organization and Foreign Operations of the House Foreign Affairs Committee, one of the ablest members of Congress and one to whom the Foreign Service is deeply indebted for his constructive support over many years.

The concept of the reserve officer with career tenure seems to us to be a further *de facto* "Wristonization," offering the possibility of blanketing into the Foreign Service hundreds of reserve officers, providing them with tenure, and providing them with coverage by the Foreign Service Retirement System. This in effect creates a new group, a superprivileged group by objective definition, without the necessity of accepting any of the disciplines of availability for world-wide service.

A compelling reason to oppose immediate implementation was the apparent intention to use this authority to give tenure to those officers presently employed in a reserve status, but who would normally occupy "Schedule C" appointments under the Civil Service. These appointments are necessary and desirable and must be retained for the use of a new Administration. We assume this will be done since their preemption now would be regarded as insufferable by a new Administration—and quite properly so.

Some of us marveled at the patience Chairman Hays has exhibited in recent years in enduring the prolonged inability of the Department and Foreign Service to arrive at a decision in this complicated matter. We rather suspected that he had again demonstrated his wisdom in so wording the amendment that the Department would be forced at long last to make up its mind

how it wished to proceed. In making the language permissive, yet tightening the time limitations to a flat five years, the Department is forced to make a decision. If we put aside the granting of unlimited tenure and automatic coverage under the Foreign Service Retirement System, the choice now narrows to integration under Sec. 517 as a Foreign Service Officer, with acceptance of world-wide availability, or a reversion to Civil Service status. And we have been provided three years in which the Department and the Reserve Officer concerned can arrive at a decision which will best meet the needs of both.

We concluded that we again owed Chairman Hays a considerable debt for forcing the Department to face up to a problem it had preferred to sweep under the rug.

It seemed that there were only three alternatives that would be workable and which would be equitable for those of our colleagues who wished to remain in the field of foreign affairs but who were unable or unwilling to accept the obligation of world-wide availability. These were:

1. To return to a clear division between the Foreign Service and the Civil Service, with the latter group administered by a separate division of the Personnel Office of the agencies in foreign affairs. If this is done, there should be an equitable identification of the positions to be filled by the Foreign Service and by the Civil Service. Given proper competence in administration, there is no reason whatever why this arrangement cannot operate equally as well as it now does elsewhere in the United States Government.

2. To adapt from the military the system of career reservists, holding those so appointed for whatever periods of time the Secretary of State may find their services useful.

3. To provide a mixture of the two previous alternatives, allowing those who prefer the protection of the Civil Service system of tenure to return to Civil Service status, and permitting those present reserve officers who would prefer the retention of their present higher reserve salaries over a return to the Civil Service system to do so, but without tenure.

Our preference would be for the third alternative, primarily because it would be fair to our domestic colleagues to provide time for a considered choice, rather than face them once again with an immediate "either-or" choice whose only virtue would be to satisfy the passion of the personnel technicians for "symmetry."

In any case, our preference is for a decision which will result in retaining for a new Secretary of State the flexibility available to him under imaginative and able administrators who can use both the Foreign Service and Civil Service systems without distorting the integrity of either.

VI

Necessary Additions for the Basic Foreign Affairs Personnel Structure

A PRECEDING CHAPTER was confined, deliberately, to a discussion of the basic structure of a foreign affairs personnel system. Too often over the past two decades we have failed to keep firmly in mind the absolute essentiality of such a basic structure. This has led, inevitably, to a series of *ad hoc* actions, designed to meet a specific problem, which have had the dual effect of eroding the strength of the basic structure and of creating future distortions more serious than the problem the *ad hoc* action was designed to solve.

Assuming the implementation of our recommendations to create such a basic structure, we then considered the actions

necessary to achieve an orderly and efficient administration of the Foreign Service of the United States.

The most shocking deficiency is the absence of any meaningful central inventory of positions matched by a corresponding inventory of skill and abilities of personnel on board to meet position requirements. There is no meaningful correlation between such position control as presently exists and the number of promotions decided upon in any given year. That the personnel system works as well as it does is a tribute to the intelligence, the dedication and the obvious talent for successful improvisation evident in the officers now engaged in its administration. The

rapid creation of a tight position control system is the first priority. The importance of this recommendation is attested by the emphasis given it by three of the subcommittees.

That we presently have the competence to devise and implement such a system is established rather clearly by the excellent and comprehensive report of the Subcommittee on Manpower Utilization and Planning. Decisions, yet to be made, regarding the basic structure of the Department of State and the foreign affairs community may indicate the modification of some of the recommendations in this subcommittee report, including the one involving the location of the function. Nevertheless, the excellence of the subcommittee's general concept and design for a manpower system indicates that our current lack of such a system does not arise from our inability to design and operate it.

The first priority must be a centralization of budgetary control on certain items in the hands of those charged with personnel administration. Among these must be the monies for salaries, for home leave and transfer, and for a steady intake of junior officers. Only a bit of reflection is needed to realize that no real "career management" system, continuously evaluating an individual's performance to determine future assignments to assure development of his potential, can work without such centralized control over monies.

Similarly, there must be an understanding that in the continuing reevaluation of budgetary priorities an absolute first priority must go to the steady intake of junior officers and to home leave and transfer. Junior officers are the lifeblood of a healthy career commissioned system, and any postponement of home leave and transfer wrecks the chain of personnel changes without which an effective "career development" program is impossible.

For these reasons, arrangements can and must be made for active, continuous and effective participation of the regional bureaus in the assignment process, but the final authority must be vested in and exercised by a central assignment authority.

The Board of Examiners under an independent Board of the Foreign Service should perform most of the initial examining process for all the foreign affairs agencies, although specialist recruitment, particularly in AID, must largely be determined by the agency concerned. The report of the Subcommittees on Personnel Systems and on Personnel Selection and Development both elaborate on this recommendation. Only the best officers should be assigned by the foreign affairs agencies to the Board of Examiners.

There was general agreement with the subcommittee comments, particularly those dealing with Personnel Systems and Remuneration and Benefits, that we should recommend a single salary structure for the Foreign Service. This can best be accomplished by extending the FSS schedule to make it fully complementary from Class 1 through Class 8 with the present FSO/R salary schedule. This will permit the equitable treatment of certain specialists without subjecting them to the class competition of the FSO Corps or distorting the original concept of the temporary Reserve Corps. We would further emphasize that the preservation of a strong and vigorous Staff Corps is an essential ingredient of the Foreign Service of the United States and we would oppose any action that would tend to downgrade it.

We also strongly endorse the recommendations of the Subcommittee on Remuneration and Benefits that recruiting levels be brought into line with Civil Service hiring levels, as well as those of private industry.

We also thought that the recommendations on retirement were reasonable goals for the Association to pursue, as were those dealing with transfer allowances.

We further believed that there should be a greater comparability than now exists between the medical benefits of the Foreign Service of the United States, including those for retired Foreign Service personnel, and the military services, whose basic conditions of service and personnel structure were closer to those of the Foreign Service than those of the Foreign Service are to

the Civil Service. We recommend that this be made a matter of priority study by the Association.

A special provision must be made for the present inequities involved in the one-year assignments of officers of the Foreign Service to locations in the United States outside Washington. Our recommendation, made later in this chapter, for a considerable expansion of the Diplomat-in-Residence program makes this a question of considerable urgency.

And, finally, we believe the Association should endorse a recommendation that would ensure recognition of the fact that the contributions made to the nation's interest by that very small group of superbly qualified officers chosen for the highest rank of Career Ambassador are equally as great as those of the individuals chosen for five-star rank in the military services. We believe Career Ambassadors should be continued on full-salary status for life, even when they go on inactive status, as are the Admirals of the Fleet or the Generals of the Army. Without raising the slightest question of the enormous debt this nation owes to Omar Bradley, Henry Arnold or Chester Nimitz, we believe the contributions of Robert Murphy, Loy Henderson, James Riddleberger, George Allen, Foy Kohler and Charles Bohlen have been equally great.

The decades-old controversy over the relative emphasis the service should give to the generalist versus the specialist, which always generated more heat than light, seems finally to be relegated to history's dustbin. With very few exceptions, there now seems to be a general realization that the Foreign Service has always needed both. As we looked at the demands of the 1970's and beyond, it became apparent that the nation's needs would demand more *good* generalists and *good* specialists than our current career development and training concepts are likely to produce.

Our junior officers and those in the intermediate grades seem instinctively to realize this, perhaps because they are unencumbered with the frayed intellectual baggage of past debates. They also seem to realize that overlong preoccupation with "political" assignments is in itself a specialization which does not contribute to the development of a true generalist.

Assuming the creation of the manpower-planning capability we have previously recommended, we should be able to define with more precision requirements for specialists in the various categories we will need in the future. Much greater attention should be paid to this question at all levels, beginning with the Board of Examiners.

This led to a consideration of the "tracks" and "cones" which were touched on by several of the subcommittees, particularly that one dealing with Personnel Systems. All three principal foreign affairs agencies have now recognized the practical necessity to move in this direction. It is hoped that as this process continues, it will be carefully monitored by the staff of the Board of the Foreign Service to ensure the avoidance of the normal tendency toward bureaucratic rigidities. The utmost flexibility must be maintained. Movement between cones and tracks should be limited only by the need to maintain the proper balance indicated by the constant up-dating by the manpower-planning mechanism.

It should not be difficult to identify at an early stage those individuals who clearly give promise of great potential and to vary their training and work assignments, including varying geographic assignments, to produce the background of experience needed at the top levels of the Foreign Service.

Allied to this facet of personnel administration is the problem of the "openness" of the Foreign Service. Here again, the attitude of our younger officers is refreshing and revealing in the depth of their perceptions. It seems to be clearer to them than to some of their older colleagues that with the modern revolution in communications has come an additional dual responsibility for the Foreign Service.

The first is to devise mechanisms to ensure awareness within the Foreign Service of the current moods, preoccupations, and

concerns of the American people. The second, a corollary of the first, is to devise mechanisms to permit the Foreign Service to play a role, for which it is uniquely qualified, in assisting the President and the Secretary of State to meet the growing desire of the American people for information in depth on the great issues of foreign policy we will meet in the 1970's, a desire for information which will contribute to perspective and a desire not presently satisfied.

Many channels are open to vastly expand Foreign Service participation in these fields. The present effective activities of the Bureau of Public Affairs in the Department and elsewhere could be expanded to return dividends far in excess of costs.

Another channel would be more intensive participation in such imaginative and successful programs as those of Pennsylvania State University in its Center for a Continuing Liberal Education, which has pioneered in the involvement of all elements of a state's people in a continuing dialogue on the problems with which an evolving society must learn to cope. The talented and innovative director of the Center is Dr. Cyril Hager, who in a brief interlude with the Foreign Service Institute, brought into being the Senior Seminar for Foreign Policy. In its first decade it has become the most sought after assignment among the senior educational institutions of the United States Government, preferred by military officers over assignment to the military war colleges. Among the many successful programs of the Center, two were of particular relevance to the Foreign Service, one on the Role of the Ambassador and one on The Free Press and Foreign Policy.

Another channel which should be vastly expanded is the new Diplomat-in-Residence program. It has been enormously effective. Many retired officers have found not only a new and highly satisfying career for themselves, but also have been able to continue a significant contribution to the nation's needs. Examples that come to mind are Loy Henderson at the American University, George Kennan at the Institute for Advanced Study, Edmund Gullion at the Fletcher School, Foy Kohler at the University of Miami and Willard Beaulac at Southern Illinois University. One of our retired Ambassadors serving as a Diplomat-in-Residence at a Midwestern university has suggested consideration of an exchange program involving the assignment of young university professors in political science disciplines to embassies abroad, to be replaced in these university assignments by intermediate-level Foreign Service Officers. We believe both the academic community and the Foreign Service would benefit by such a program and recommend its adoption.

The conventional wisdom in the Foreign Service and the Department has always lagged, perhaps inevitably so, in adapting itself to these developments. The initial resistance to the Senior Seminar is one example, although its present position of preeminence was guaranteed from the outset by the excellence of its curriculum. Similarly, there is a current tendency to resist assignments as Diplomats-in-Residence because they are outside the "main stream." Few assignments are more important, and steps should be taken to ensure that clear recognition of this fact will become automatic.

The framers of the Foreign Service Act of 1946 wisely provided a unique authority not then available to other United States commissioned services. This permitted the assignment of Foreign Service personnel to serve with other government Departments and agencies while retaining their Foreign Service career status. Thus the Department of Commerce and Labor could use foreign service personnel to staff their domestic positions. As we have previously mentioned, one such officer served as Assistant Secretary of Commerce in charge of International Commercial Affairs. It was not a limited authority, but only the White House in recent years has made extensive use of it, although the new Department of Transportation reached out to the Foreign Service to staff its international activities.

The use of this authority should have been greatly encouraged. The advantages to the over-all interests of the United States

would be very great indeed. The ingrained discipline of the Foreign Service would have guaranteed complete loyalty to the Department to which the officer was assigned. The breadth of experience, the knowledge of over-all US policy objectives, the familiarity with foreign sensitivities would have combined to serve both the agency's immediate objectives and the broader US interests. One is tempted to speculate whether the course of history might have not been somewhat different had such expertise been utilized over the past decade to help staff the International Security Affairs Division of the Department of Defense.

Added dividends to the Foreign Service would have included a return of officers so assigned with a broader experience and with a heightened awareness of the constraints on foreign policy growing from the legitimate interests of the other Departments and agencies of the United States Government. It is still surprising that many Foreign Service officers, who can delineate with rather accurate precision the modes of operation of foreign governments, are sometimes singularly naive about their own.

Two factors have militated in the past against an imaginative and effective use of this authority. One has been the parochial approach of the Department of State budgetary authorities in demanding, as a matter of principle, reimbursement for all such assignments to other agencies. There is no statutory requirement for such reimbursement. Although there must obviously be budgetary restraints on too many such assignments, the returns to the United States and to the Foreign Service would seem to indicate the desirability of as forthcoming an approach as possible. A subordinate facet of this bureaucratic factor is the existence of the "straight line" syndrome of bureaucratic behavior we have alluded to earlier which dictates, with rare exception, resistance by the personnel mechanisms of other Departments to offers of assistance by the personnel authorities of State. Approaches at the level of the Secretary would produce different reactions, yet we have no indication that the Secretary of State has ever been requested to involve himself. We find this hard to understand in view of the alleged surplus of senior officers. It is our opinion that there would be a shortage of officers, in terms of requirements for their skills in the foreign affairs community and elsewhere in government, were they properly utilized.

The second factor, until very recently, has been the fact that service outside the parent agency did not contribute to career advancement as much as more normal assignments within the "main stream" of Foreign Service responsibilities. There have been exceptions, of course. The service of Ambassador Foy Kohler as Director of the Voice of America and with the Mutual Security Agency, a predecessor of AID, was regarded by him as very useful to his later senior responsibilities. Beginning with the Kennedy Administration there has been a marked change in attitudes, and the promotion precepts now clearly recognize the value of such service. The single remaining limiting factor is the failure of the Department to explain to the other Departments the necessity of thorough documentation of the record of performance. This defect could long ago have been remedied, as it finally was in mid-1968, by having the office of the Director General take greater pains to instruct outside supervisors about the personnel evaluation system or to have the Inspector General provide, after inspection, a supplementary appraisal of performance.

We concluded that the potential advantages of a large expansion of such assignments are so great that it should be the subject of an early Cabinet meeting of the new Administration, and we recommend the Association convey such a suggestion to the new Secretary of State and the new President.

We found that morale in the Service was on the whole surprisingly good, perhaps in anticipation that a new Administration would move to stabilize a personnel system that might settle in for a long run. General attitudes were surprisingly optimistic. We found the attitude of the younger officers, who perhaps have

been more exposed than their older colleagues to modern techniques of attitudinal surveys, to be tolerantly amused by the delicious horror expressed in some circles over the findings recorded by Chris Argyris in *Some Causes of Organizational Ineffectiveness Within the Department of State*. Most of them were well aware that Argyris' work should not be considered shocking. In an article prepared for submission to the Foreign Service Journal, FSO John D. Stempel observed that "any Foreign Service officer with a nodding acquaintance with Argyris' previous studies (*Interpersonal Competence and Organizational Effectiveness* and *Understanding Organizational Behavior*) could have anticipated his conclusions. They differ from his previous work only in their direct application to the State Department." The point is neither to disparage the particular study nor to deny that the field of administrative and organizational theory has produced some challenging concepts for the

study of bureaucracies. Rather it is to emphasize that a similar series of interviews have produced strikingly similar results in other bureaucracies.

Another of our younger intermediate officers, in an article written for a forthcoming issue of *The Annals* of the American Academy of Political and Social Science, has summed it up very well:

"If one were asked to state the single most glaring weakness of foreign service personnel administration in the postwar era, one would have to reply that that weakness consisted in not having a *consistent* policy applied *patiently* to an *explicit* goal. For too long those in foreign service have been jolted by sudden starts and stops. The new Administration should require of itself the discipline of a clear objective and the patience to pursue that objective to its conclusion."

VII

Recommendations

1. We believe the present White House organization primarily concerned with foreign affairs to be a proper balance between the extremes which marked the two preceding Administrations. We believe the new President would be best served by continuing a similar organizational pattern.
2. Taking into account the enormous burdens devolving on a modern Secretary of State, we believe the second position in the Department of State should be a true *alter ego* to the Secretary. To accomplish this, we recommend the position be given the designation of "Foreign Secretary," its compensation be fixed at Class I in the Executive Salary schedule, and its incumbent be invited to attend meetings of the Cabinet.
3. We recommend that there be established, as the third ranking position in the Department, the position of Permanent Under Secretary as recommended in the Rowe-Allen comments in the Herter Report. We suggest that the presently authorized second Under Secretary position be initially used for this purpose.
4. We recommend that the new President use his reorganization authority to place USIA within the Department of State, to operate as an autonomous unit as is now the case with AID, and that its foreign affairs personnel come within the Foreign Service of the United States.
5. We recommend that the new President make it clear that he regards American Ambassadors as *his* personal representatives to exercise, on his behalf, control over all United States Government activities in the country to which the Ambassador is accredited, and that the concept of "The United States Diplomatic Mission" replace the concept of the "Country Team."
6. We believe it essential that we return to the basic foreign affairs structure created by the Congress in the Foreign Service Act of 1946. The first step is the restoration of the statutory independence of the Board of the Foreign Service. While this could be done either by Presidential or Congressional action, we recommend Congressional action to underscore its crucial importance.
7. We recommend that the statutorily independent Board of the Foreign Service should have representation from all agencies using the Foreign Service of the United States, that its chairman be an outstanding private citizen, and that the Board utilize the Director General of the Foreign Service to supervise an independent, small, but highly qualified staff to ensure compliance by the operating foreign affairs agencies with the regulations, standards and precepts promulgated by the Board to govern the operation of the Foreign Service of the United States. The Board of Examiners should be under the direct supervision of the Director General.
8. We recommend that the new Administration recognize that the next priority after reestablishing the independence of the Board of the Foreign Service is to create an adequate manpower utilization and planning mechanism.
9. We believe the "development" function will continue for the indefinite future to be a vital and integral part of United States diplomacy, although the nature and scope of this function may be radically altered. We therefore believe that the professional core of AID personnel, as distinguished from the temporary specialist, should be brought into the Foreign Service of the United States. Pending definition of the future scope and nature of the "development" function by the new Administration, we recommend that the Director General of the Foreign Service in cooperation with appropriate AID officials immediately institute this process of identification as was previously successfully done by USIA.
10. We recommend that there be delegated to the actual operating echelons in State, USIA, and AID the responsibility of administering and supervising, in accordance with the regulations and standards promulgated by the Board of the Foreign Service, the personnel of the Foreign Service of the United States assigned to them.
11. We recommend that such delegated authority include operation, in accordance with precepts laid down by the Board of the Foreign Service, of the promotion system through Class 3, competition to be within functional category. In order to provide the President and the Secretary of State the broadest spectrum of choice for senior positions, we recommend that promotions to Class 2, to Class 1, and to Career Minister be service-wide and administered directly by the Director General under precepts promulgated by the Board of the Foreign Service.
12. We recommend that a single salary structure be established for the Foreign Service by extending the present Foreign Service Staff Corps salary schedule to make it fully complementary from Class 1 through Class 8 with the present FSO/FSR schedule.
13. We recommend that the Association pursue the recommen-

dations of the Subcommittee on Remuneration and Benefits on retirement and transfer allowances, and further attempt to achieve greater comparability in medical benefits than now exists between the Foreign Service and the military services whose personnel structure and conditions of service are more nearly parallel than are those of the Foreign Service and the Civil Service.

14. We recommend that the Association pursue the objective of achieving a closer comparability between the compensation of Career Ambassadors and that of the five-star ranks in the military services.
15. We recommend that every effort be made to expand the participation of the Foreign Service in their assistance to the President and the Secretary of State in their task of maintaining continuing productive communication with the American people on basic foreign policy issues.
16. We recommend that a vastly expanded use be made of the

authority to "second" Foreign Service Officers for service with other Departments and international organizations and that officers chosen for such assignments be drawn from those clearly marked for future senior assignments within the Foreign Service.

17. And, finally, we recommend that the new Administration investigate thoroughly the applicability of new technology to the problems of foreign affairs as recommended by our Subcommittee on Technology and seek resources to install such systems as are deemed appropriate, keeping in mind that "facts," as such, are not always relevant to the reactions of peoples and nations; that knowledge is not automatically to be equated with wisdom; that the use of the products of systems analysis without the benefit of subjective professional judgment can, and at times has, lead us to disaster. The wise combination of both may well open new dimensions of diplomacy.

VIII

Conclusion

THAT NEITHER THE subcommittee reports, nor the Chairman's summary of the deliberations and conclusions of the Steering Group, represent an official position of the Department of State does not, perhaps, need reiteration. These papers represent the work of a group of officers of the Foreign Service of the United States, some from the Department of State, some from USIA and from AID, who have devoted their off-duty time over a period of months to carry out the instructions of the Board of Directors of the American Foreign Service Association.

These instructions were to examine, as thoroughly as was possible without the assistance of a full-time professional staff, what needed to be done to make the instrumentalities for the conduct of this nation's foreign affairs as effective as possible for the decade ahead. The only limitation placed on the Committee was the admonition to avoid all parochial considerations involving agencies or the Foreign Service itself. This limitation was imposed in the conviction that only with such concentration on the nation's needs could we arrive at recommendations involving reform and improvement of the Foreign Service of the United States that would warrant the support of the new Administration, the Congress, the public, and of the Foreign Service itself. We have kept this admonition very much in mind.

Our considerations were even further broadened as a result of the comments of the Chairman of the Foreign Relations Committee of the Senate when he introduced, on May 22, a Joint Congressional Resolution providing for the establishment of a Commission of 12 members—two from the Senate, two from the House of Representatives, and eight to be appointed by the President. This Commission would attempt the kind of searching review of the American foreign affairs establishment conducted by the Plowden Committee for the British Government in 1964.

We would hesitate to imply that this report to the American Foreign Service Association has made such an inquiry unnecessary, although we have consciously attempted to make our review conform to the standards Senator Fulbright so wisely postulated: ". . . A broad objective view, unencumbered by political considerations or by the obligations that Executive Branch officers have toward the interest of the particular Department or Agency in which they serve."

Certainly, if such a Commission is established, we would have the utmost confidence in the knowledge, the broad experience, and the proven capacity of Douglas Dillon, suggested by Senator

Fulbright to head such a commission. Noting that Senator Fulbright recorded the fact that Mr. Dillon had previously served both Republican and Democratic Administrations with great distinction, some of us could not escape the conviction that the national interest might be equally well served if Mr. Dillon were placed by a new Administration in a position to implement this report.

Our primary concern is to proceed as rapidly as possible with the actions necessary to provide a foreign affairs establishment and a Foreign Service of the United States adequate to meet the needs of this nation in the 1970's. Indeed, this report is the first attempt by the professionals, dedicated to carrying out with complete fidelity the policies of whatever Administration the American people choose, to look in depth at these problems and to make their own recommendations on the courses of action they believe will best serve the nation.

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Membership—1968

The following persons participated in the work of the Committee, although not all those listed were still active when this report was prepared:

Graham Martin, *Chairman*
Norris Haselton, *Vice Chairman*
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Arthur G. Jones.
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WORKING PAPER ON PERSONNEL SYSTEMS

Part I—The Ultimate Goal

I. Definition and role of the Unified Foreign Service

A. The concept of a unified Foreign Service should be retained but restated in the light of current realities. As now implemented, the existing framework does not meet the current or future requirements of the foreign affairs community.

B-E. The unified Foreign Service should meet the needs of the principal foreign affairs agencies of the Government; serve other agencies having overseas interests clearly related to the achievement of foreign policy objectives; partially staff the home establishments of the principal foreign affairs agencies; help staff international organizations and divisions of certain domestic agencies.

II. Administration of the Foreign Service Personnel System

A. The unified Foreign Service should be separate from but compatible with the Civil Service personnel system. A separate system is necessary in order to maintain the essential features of a commissioned service, mobility of assignment, rank-in-man, enforced early retirement and selection-out, quality personnel for overseas service, training in foreign affairs and systematic career development.

B. Management of the Foreign Service personnel system should reflect a judicious blend of firm central control over policies, standards and inspection and adequate decentralization to agency managers. Alternative 1: establish a Foreign Service Commission of three to five full-time officials appointed by the President with Senate consent to perform functions specified in the statute and as determined by the President or Secretary of State; or Alternative 2: place regulatory authority directly with the President or Secretary of State with delegation to a revitalized full-time Board of the Foreign Service. The Board would act in the name of the Secretary unless it is unable to reach agreement. In either case, there should be a full-time professional staff.

III. Personnel Structure and Appointments

A-G. The Foreign Service personnel system should be based upon a single grade and salary schedule. The structure should provide for, as it does in part at present, a number of functional career cones covering an Executive group, the Professional/Specialist career categories, and the Support career categories; a noncareer limited appointment category should be provided for short-term (up to 5 years) specialists; provision should be made for the probationary appointment of new personnel; an enforced early retirement and selection-out system should be reconstituted to provide an effective and honorable system for separation from the service.

Part II—Transitional Steps

Recommended steps include:

A. Restore the statutory independence of the Board of the Foreign Service and develop uniform personnel policies.

B. Establish joint personnel operations for certain common activities.

C. Eliminate disparities in overseas perquisites.

D. Increase use of foreign service personnel to staff Washington headquarters positions in all three agencies.

E. Step up the interchange of foreign service personnel.

F. Identify common career categories to facilitate possible merging of common personnel groupings.

G. Develop consistent and complete personnel statistics.

PART ONE
THE ULTIMATE GOAL

I. Definition and Role of the Unified Foreign Service

A. The concept of a unified Foreign Service should be retained but restated in the light of current realities.

The concept of a unified or single Foreign Service of the United States dates from 1924 when the Diplomatic and Consular Services were consolidated by the Rogers Act of that year.

The concept was strengthened when the Foreign Commerce Service and the Foreign Agricultural Service were merged with the Foreign Service in 1939. The Foreign Service Act of 1946 was designed "to improve, strengthen, and expand the Foreign Service so that it may be adequate for the conduct of the foreign relations of the United States in the postwar world."¹

Recognizing that the Foreign Service should be responsive to changing needs, greater flexibility was provided, particularly in the establishment of the Foreign Service Reserve Officer category and in liberalized provisions for the lateral entry appointment of Foreign Service Officers. The Act authorized employees of the Service to perform duties and functions in behalf of any Government agency. Indeed, the Congress intended that the Foreign Service should, insofar as possible, perform the services required abroad by the various agencies of the Government—not just services associated with traditional diplomatic and consular functions. It was expected that the new Reserve Officer category would be used to meet specialized and technical needs of the Governmental agencies and that a career-oriented Foreign Service Staff Corps could offer a rewarding career to administrative, consular, and other specialists.

Thus, as the United States moved into the post-war period, a professional vehicle presumably was to be available to represent varied U.S. interests abroad.

Subsequent events, however, largely invalidated the expectations of the framers of the Act of 1946. The Economic Cooperation Administration was established in 1948 as a separate entity and its overseas operations were conducted outside the Foreign Service framework—a pattern which has persisted to the present day. In 1953 USIA was established as an independent agency after an uneasy period of partial assimilation within the State Department. The next year the Foreign Agricultural Service was re-established. The proliferation of overseas activities staffed by employees of various government agencies outside the Foreign Service has continued as the entire spectrum of U.S. interests abroad has continued to mushroom.

The present personnel arrangements within the foreign affairs community thus reflect a mixture of tradition, improvisation, and faltering steps toward a *bona fide* unified Foreign Service concept.

B. The unified Foreign Service should meet the needs of the principal foreign affairs agencies of the Government.

The Foreign Service of the United States should meet the direct-hire overseas civilian personnel requirements of those executive departments and agencies of the United States Government which are principally and directly concerned with the formulation and implementation of foreign policy and programs. The Department of State, AID and USIA clearly are the principal agencies to be served.

For our purposes we would exclude under this definition the Department of Defense even though some of its overseas activities are closely allied with the execution of foreign policy in the broad sense. This is not to suggest that the Foreign Service be insulated from the Pentagon. Rather, a stepped-up exchange of officers between the Department of Defense and the principal foreign affairs agencies should be encouraged.

In addition, the Central Intelligence Agency would retain its special character and operational arrangements. On the other hand, while Peace Corps volunteers would continue to function overseas outside the unified foreign service concept, it does not follow that the Peace Corps' operational staffs abroad should be excluded.

C. The unified Foreign Service should serve other agencies having overseas interests clearly related to the achievement of foreign policy objectives.

Criteria for determining the extent to which the Foreign Service should itself meet the program needs of other U.S. Government agencies having overseas interests might include:

(a) Whether the agency serves on a *continuing* basis as a resource to the President and the Secretary of State in the *conduct* of foreign affairs.

(b) Whether the size and character of an agency's overseas personnel requirements are reasonably compatible with those of the agencies which are clearly and predominantly concerned with foreign affairs.

(c) Whether the activity or activities involved are essentially a projection overseas of a *domestic* function unrelated to foreign policy.

Generally speaking, those agencies having overseas personnel engaged in what is essentially a projection of a domestic function should be excluded from the foreign affairs personnel system. Such agencies would include, but are not limited to, the General Accounting Office, the American Battle Monuments Commission, the Civil

¹House Report No. 2508, 79th Congress, 2nd Session.

Aeronautics Board, the Narcotics Bureau of the Treasury Department, the U.S. Public Health Service, and numerous other agencies.

On the other hand, there are agencies which, though predominantly concerned with domestic affairs, have overseas interests and requirements that bear on and are clearly related to the achievement of foreign policy objectives. We believe agencies having such interests and requirements should look to the Foreign Service to provide these services.

These "allied" agencies should be accorded a voice in, but no veto over, personnel policy and operations pertaining to their functional area or areas of interest. They should be enabled to recommend the temporary assignment of employees of their respective agencies to the Foreign Service, participate in the development of specialized training programs, be represented on promotion panels, and, in most cases, be represented on the Board of the Foreign Service. Such participation, we believe, is essential if the concept of a unified Foreign Service is to succeed.

With the foregoing in mind, the relationship with the Departments of Commerce and Labor should be reaffirmed. The needs of the Foreign Agricultural Service and the Treasury Department attaché system should be served by the Foreign Service of the United States.

D. *The unified Foreign Service should partially staff the home establishments of the principal foreign affairs agencies of the Government.*

Virtually all of the outside studies that have been made in recent years have concluded that it would be desirable to include the domestic as well as the overseas employees of the State Department in a single Foreign Service personnel system.

Such an arrangement would facilitate internal administration, ultimately reduce feelings of separatism, and make possible a more rational internal personnel structure. Operating under a common personnel framework and flexible personnel concepts, such as rank-in-man, agency heads could make most effective use of their personnel resources.

The obstacles to the achievement of this objective (which would require legislative sanction) are formidable.

A more realistic approach for the foreseeable future is to look to the Foreign Service to staff a very substantial proportion of positions in the respective headquarters establishments of the three principal foreign affairs agencies.

In this respect AID and USIA should make much greater use of Foreign Service employees in staffing headquarters activities than is now the case.

The following criteria are pertinent in deciding the extent to which the headquarters positions should be filled on a rotational basis by Foreign Service employees:

1. The need to fill positions for which overseas experience is essential or desirable.
2. The need to give Foreign Service employees assignments that will contribute to their career development.
3. The need for long-term continuity and expertise in staffing Washington activities must also be given full weight, particularly in staffing activities that involve complex relationships with other government agencies.
4. The need for overseas employees and their families to renew their first-hand familiarity with American life and institutions; related to this is the need to provide U.S. assignments for overseas employees and their families for health, educational and related reasons.

E. *The unified Foreign Service should help staff international organizations and international divisions of certain domestic agencies, and employees should acquire experience in non-public organizations.*

The Foreign Service should be regarded as a key source of professional personnel to help staff international organizations in which the U.S. participates, as well as U.S. missions to such organizations. Foreign Service personnel also should be deployed to fill positions in the international divisions or offices of domestic departments and agencies of the government. These should include the Executive Office of the President, including the Bureau of the Budget, the Atomic Energy Commission, Commerce, Defense, Labor, Treasury, HEW, Agriculture etc. It would be desirable to negotiate agreements with these agencies for such assignments in order to facilitate orderly manpower planning.

Foreign Service personnel should be assigned on a highly selective basis for temporary service with non-public organizations in order to acquire useful experience and to help bridge the gap between public and private endeavor in achieving U.S. foreign policy purposes: examples should include business and labor organizations, private foundations, educational institutions and civic organizations having a

foreign affairs orientation.

II. *Administration of the Foreign Service Personnel System*

A. *The unified Foreign Service should be separate from but compatible with the Civil Service personnel system.*

A separate system is necessary in order to maintain the essential features of (1) a commissioned service; (2) mobility of assignment; (3) rank-in-man; (4) enforced early retirement, as well as the ability to recruit high quality personnel directly for overseas service, the need to provide progressive training in foreign affairs and contribute to the orderly and systematic career development of employees.

At the same time, a planned relationship with the Civil Service is desirable. This would connote: (1) the same benefits and perquisites in such areas as annual, sick, and home leave, civilian allowances, hardship differentials, and life and health insurance; and (2) facilitating detail and transfer from one to the other personnel system.

More can be done to take advantage of the advisory resources of the Civil Service Commission in such areas as job classification, examinations, and employee-management relations. The Board of the Foreign Service, which includes as a member the Chairman of the Civil Service Commission, provides a means of effective consultation at a high level on matters of mutual interest.

B. *Administrative arrangements for personnel management should reflect a judicious blend of (1) firm central control over policies, standards and evaluation and (2) adequate decentralization to agency managers.*

One of the most complex problems to be faced in administering a unified Foreign Service is that of devising suitable arrangements for personnel administration. The Subcommittee believes that there must be firm central control over the formulation of basic personnel policies and standards. At the same time there should be adequate decentralization of day-to-day personnel operations and decisions to agency managers.

The Subcommittee suggests two mechanisms, each of which it believes is in consonance with the unified concept.

Alternative 1—Creation of a Foreign Service Commission.

Clearly, the Foreign Service as envisaged in this paper is broader in its coverage than any one department or agency. In any event, even though AID is under the over-all direction of the Secretary of State, it has operated as a virtually autonomous agency in matters of administration. USIA is in fact an independent agency receiving policy guidance from the Secretary of State, but autonomous as regards internal administration.

Given these realities we propose that the governing statute establish a bipartisan Foreign Service Commission of not less than three or more than five members to be appointed by the President, by and with the advice and consent of the Senate. The Commissioners should be *full-time* officials concerned *exclusively* with Foreign Service personnel management. The Commission would be charged by statute with: (1) over-all responsibility for the formulation of basic personnel policies and standards for the Foreign Service; (2) ensuring that appointments, promotions, and related personnel actions are made solely on the basis of merit; (3) overseeing common service programs such as personnel interchange, training and career development, and recruitment and examination; (4) evaluating the effectiveness of Foreign Service personnel operations; and (5) acting as a final appellate body on certain types of personnel actions, e.g., dismissal for cause.

At a minimum, the Commission should have staff for the development of policies, procedures and standards; the inspection and evaluation of personnel operations; and the administration of central recruitment, examination, promotion and training programs.

Alternative 2—The Secretary of State.

A second approach is to recognize that, given NSAM 341, the Secretary of State should have over-all authority to direct and administer the unified Foreign Service of the United States. Under this concept, regulatory authority could be vested directly in the Secretary or in the President, subject to delegation and redelegation.

In order to provide for interagency participation, a revitalized Board of the Foreign Service should advise the Secretary on the formulation of basic personnel policies, programs and standards. Unless the Board were unable to reach agreement, the Board itself could act in the name of the Secretary. Staff as outlined in the first alternative should be established to serve the Board and ensure that policy decisions are translated into practice.

Under either of these alternatives, basic personnel policies and standards should (with only rare exception) apply equally and uniformly to all foreign service personnel regardless of the agency to which they may be assigned. Centralized functions would include, for

example, in-service training, college relations/recruitment, personnel research, manpower planning, and examinations for certain types of personnel, e.g., clerical employees, junior officers, etc.

Other operations, while subject to common policy constraints, should be administered on a decentralized basis in order to meet agency needs. Thus, individual assignments of AID technicians should be left to AID, or radio relay technicians to USIA, or visa specialists to State. At the same time, the means must be provided to prevent the Foreign Service from becoming a disparate organization of separate "foreign services." Thus a central mechanism will be needed to ensure that there is an adequate measure of interagency assignment, that the most able employees are channeled into top executive positions, and that promotions meet service-wide, not agency, requirements.

Single Grade and Salary Structure: The Subcommittee believes that the Foreign Service of the United States would benefit by adopting a single grade and salary schedule. The British Foreign Service has done so with good results. The Civil Service, larger and more complex than the Foreign Service, is so structured.

The present and proposed profiles of the three principal agencies are approximately as outlined in Table 1, "Comparison of Personnel Numbers and Grade Structure."

Career Structure: The career structure of the Foreign Service should have three basic "tracks" within the basic grade structure: i.e., executive, professional/specialist, and support. A fourth track should be maintained for personnel hired to fill temporary requirements. Within the professional/specialist and support tracks would be an appropriate spread of functional cones.

Employees in classes FSO-1 through FSO-3 specifically identified as possessing unusual leadership capabilities in addition to outstanding functional competence would be assigned to the *executive track* to fill senior management positions, i.e., Ambassadors, DCM's, Directors, Deputy Directors, PAO's etc. In addition, the ranks of Career Ambassador and Career Minister would be retained and would be filled by outstanding members of the executive track.

Employees in classes FSO-1 through FSO-8 and their equivalents would progress upward in one or more of the career cones in the *professional/specialist track*. Those who, upon promotion to class FSO-3 or the new FSS-3, were considered eligible for the executive track would be so assigned. Employees on the executive track who found themselves uncomfortable in a leadership role or unable to discharge their leadership responsibilities could be shifted, with no public loss of face, to one of the professional/specialist career cones. By the same token, those late-bloomers in the professional/specialist track who showed leadership potential in Class 1 and Class 2 could be shifted to the executive track.

Employees below class FSO-8 and its equivalents would be assigned to one of the cones in the *support track*. Those displaying unusual potential or qualifications could progress, upon reaching the equivalent of FSO-8, to one of the cones in the professional/specialist track.

Criteria for the cone and track structure would be developed and published by the central policy-making mechanism outlined above. The present foreign services would nominate each employee to a track and cone, subject to approval by the central mechanism. Subsequent changes in an individual's track and cone would be with the approval of the central mechanism.

Functional Career Fields: Even a casual examination of the many

functional specialties found in the foreign services of State, AID and USIA should make it abundantly clear that functional specialization must be given increased attention and encouragement in all phases of personnel management and particularly in selection, assignment and promotion.

Accordingly, we believe that in addition to the executive group, the personnel structure should consist of a number of functional career cones with their ladders of upward progression. This cone structure should be based on the existing pattern in State, AID and USIA, with possible minor changes, (e.g., joining State/AID economic, State/AID/USIA clerical staff, State/AID/USIA educational affairs, etc.).

State now has functional career "cones" for FSO's identified with political, economic and commercial, consular, information/cultural, specialist professional-technical and administrative functions. There are also two senior management categories, i.e., "Executive" and "Program Direction." Career "cones" for FSS personnel include, but are not limited to, general services, budget and fiscal, personnel, security, communications and records, secretarial and general clerical functions. AID has ten functional career cones (with some subgroups) plus three executive classes. USIA's career Reserve Officers, for example, are identified with five principal fields—i.e., public affairs, information, cultural affairs, administration, and research. New functional career categories would be designated as the changing demands of foreign affairs dictate.

Competitive evaluation would be within cones. Recruitment and entrance examination processes would be related to functional needs as well as general qualifications. Full opportunity for career development would be provided through planned movement between cones and tracks regardless of agency and would reflect the interests and qualifications of the individual and the needs of the Foreign Service.

The Subcommittee recognizes that some employees, such as newly-employed junior officers, could not necessarily be identified with a particular functional cone until they have completed one or two years of service. Accordingly, we believe that suitable arrangements should be made to treat such employees separately for purposes of orientation, initial assignment, evaluation and promotion.

C. Only those employees whose assignments require a diplomatic or consular title should be so commissioned.

Appropriate criteria should be devised to determine under what circumstances employees should be appointed and commissioned as diplomatic and/or consular officers or accorded a noncommissioned diplomatic title.

The Subcommittee proposes that only those employees whose duties require that they be appointed and commissioned as diplomatic and/or consular officers be so appointed and commissioned. Such appointments would, of course, be made by the President, by and with the advice and consent of the Senate, except that where a non-commissioned title of *attaché* or *assistant attaché* is acceptable for the purpose, employees could be accorded this status by the Secretary of State. This status would derive from function and not from mode of entry or method of selection and appointment.

D. Provision should be made for the probationary appointment of new personnel.

New employees recruited for long-term service should normally undergo a trial or probationary period—perhaps extending beyond the

TABLE 1
Comparison of Personnel Numbers and Grade Structure—Present and Proposed

FSO/R/CR		FSS				Proposed						
Grade	State	AID	USIA	Grade	State	AID	USIA	Grade & Salary	State	AID	USIA	Total
CA/CM/AD	70	10							70	10		80
1	445	180	59					FS-1 \$28,000	445	180	59	684
2	696	489	176					2 \$22,376	696	489	176	1,361
3	1,014	1,179	404	1	110	1	51	3 \$17,943	1,124	1,180	455	2,759
4	979	1,062	405	2	265	3	122	4 \$14,409	1,244	1,065	527	2,836
5	768	807	202	3	316	3	113	5 \$11,762	1,084	810	315	2,209
6	580	546	119	4	418	11	67	6 \$9,721	998	557	186	1,741
7	457	370	90	5	541	38	49	7 \$8,718	998	408	139	1,545
8	168	151	42	6	1,079	88	60	8 \$7,823	1,247	239	102	1,588
				7	971	201	90	9 \$6,981	971	201	90	1,262
				8	1,009	299	47	10 \$6,309	1,009	299	47	1,355
				9	775	132	41	11 \$5,742	775	132	41	948
				10	311	60	11	12 \$5,145	311	60	11	382

* See Table 4 for further breakdowns and FN on data.

first promotion—before they are given career status. Exceptions to this principle may be indicated in connection with transfers from elsewhere within the federal service where individuals so recruited have amply demonstrated their fitness and evidenced the ability to adapt to overseas environments.

E. *An enforced early retirement and selection-out system based on tenable grounds.*

The Subcommittee believes it is necessary to have a thorough re-examination of the means for enforced early retirement and selection-out. If the Foreign Service is to retain its vitality and quality, it must have at hand a means for the effective separation of its weaker members in an honorable and constructive manner.

F. *Other essential elements of the Foreign Service personnel system.*

In addition to the several elements already discussed, it is essential to the success of the Foreign Service personnel system that it include: a centrally administered manpower-planning and position-control mechanism, a more positive recruitment and flexible examination system geared to functional needs, stepped-up programs of career development and training, and a performance-evaluation system that gives additional weight to job requirements and permits a careful weighing of employee career interest and agency requirements for high-quality personnel.

PART II TRANSITIONAL STEPS

Basically, the immediate objective should be to achieve a meaningful degree of compatibility among the existing personnel systems of the principal foreign affairs agencies—State, AID, and USIA.

(A) *Preparation of Common Personnel Policies.* The first order of business should be the preparation of common personnel policies described above.

While it would not be desirable to preclude either of the organizational alternatives outlined above (i.e., a Foreign Service Commission or personnel direction by the Secretary of State under NSAM 341), it should be possible to revitalize the existing Board of the Foreign Service to provide the necessary interim and preliminary recommendations. For this purpose the Board of the Foreign Service should be given adequate interagency staff to develop policy principles for personnel administration within the next 6-9 months. In particular these should include:

- (1) Development of uniform personnel regulations;
- (2) Elimination of disparities in prerequisites;
- (3) Identification of common career categories and cones along the

TABLE 2
Present Foreign Service Personnel Statistics and Patterns*
Foreign Service Personnel Totals
(by FSA '46 categories)

	U.S.	OVERSEAS	TOTAL
STATE			
FSO	1365	1966	3438
FSR	1026	735	1761
FSS	1514	4281	5795
	<u>3905</u>	<u>7089</u>	<u>10,994</u>
USIA			
FSO	45	95	140
FSCR	292	510	802
FSLR	— not available		565
FSS			651
	<u>337</u>	<u>605</u>	<u>2158</u>
AID			
AD 1-5			10
FSR	631	4153	4784
FSS	77	759	836
	<u>708</u>	<u>4912</u>	<u>5630**</u>

TABLE 3
Domestic Service
(Civil Service/Foreign Service Ratios)

	TOTAL	CS	FS
STATE	7704	3799	3905
USIA	3199	2862	337 (FSO/CR only)
AID	3873	3165	708

lines outlined above;

(4) Establishment of joint personnel operations in the field of recruitment, examination, and promotion;

(5) Development of programs of personnel interchange between agencies, particularly at the senior and middle levels of the services;

(6) Preparation of plans for increased use of foreign service personnel to staff Washington headquarters positions;

(7) Development of consistent and complete personnel statistics for foreign affairs agencies with particular emphasis on functional categories.

TABLE 4
Foreign Service Personnel by Classes and Grades

Grades	STATE		USIA			AID		
	FSO	FSR	FSS	FSCR	FSLR	FSS	FSR	FSS
	CA-7 CM 53						AD (2-5)	10
FSO R 1	319	126		49	10			180
2	451	245		141	35			489
3 FSS-1	651	363	110	267	147	51		1179 1
4	2 643	336	265	176	229	122		1062 3
5	3 528	240	316	93	109	113		807 3
6	4 422	158	418	24	63	32	67	546 11
7	5 255	202	541	74	13	3	49	370 38
8	6 109	59	1079	42	0		60	151 88
7	—	—	971				90	201
8	—	—	1009				47	299
9	—	—	775				41	132
10			311				11	60

TABLE 5
Foreign Service by Functional Career Categories

STATE*			TOTAL
Senior Executive			149
Program Direction			460
Political			1240
Economic/Commercial			734
Consular			695
Administration			2371
Information/Cultural			277
Special Professional and Technical			737
USIA	FSCR	FSO	
Public Affairs	322	113	435
Cultural Affairs	212	18	230
Information	242	9	251
Research	21	—	21
Administration	5	—	5
AID			
FSR (1-3) Executive Group			(1390)**
Program Economists			194
Public Administration			25
Education			412
Health			310
Agriculture			427
Capital Development			462
Controller			327
Public Safety			370
Adm/Mgt. (Exec., Pers., GSO, Training, Supply)			2602
Staff Support			491
			<u>5620</u>

* Note: State numbers are positions by category; actual number employed by category not available.

** FSR 1-3 = 1390 is a non-add as this group is also counted in the functional breakdown.

* Figures used in these tables are at best estimates; they should be considered as approximate magnitudes for rough comparison purposes. The Subcommittee, while receiving excellent cooperation from the personnel offices of State/AID/USIA, was surprised to discover how difficult it was to develop complete and comparable personnel statistics. Existing breakdowns reflect particular agency operational needs; they are weakest in the functional-job oriented categories.

** The 5630 total includes 2186 (1628 FSR and 558 FSS) employees with regular appointments; the remaining have limited appointments only.

(B) *Summary.* The Subcommittee believes that the Association can and should move rapidly and energetically vis-a-vis the management of the three principal foreign affairs agencies to implement the foregoing interim recommendations. It should be possible by the end

of this calendar year to have identified career cones on a cross-agency basis, to have developed common personnel regulations, policies, and statistics without distorting present personnel operations.

Annex A (2)

REPORT OF THE SUBCOMMITTEE ON MANPOWER UTILIZATION AND PLANNING

"If we could but know where we are and whither we are tending, we could better know what to do and how to do it"

Abraham Lincoln

Introduction

The purposes of this paper are to present guidelines and proposals for foreign affairs agencies to consider in fulfilling the inescapable need to plan manpower utilization. The Subcommittee has sought to do this through reviewing past personnel studies and current planning practices, and through re-examining the role of the foreign affairs community in developing and carrying out U.S. foreign policy.

The Subcommittee concerned itself with information, assessment, planning, and system development in relation to manpower utilization. Other aspects which might be considered part of manpower utilization but which were not covered are: employee efficiency on the job, workload as a measure of staffing requirements, and effectiveness of inspection, supervisory appraisal, and the budgetary process as a means of eliminating non-essential functions and employees. These other aspects were not interpreted as being within the terms of reference for the Subcommittee's study, although they may deserve special study at a later time.

Assumptions

The bench marks used for this paper were the Interim Report of the Committee on Career Principles and the Preliminary Report of the Subcommittee on Personnel Systems. Thus we assume that the ultimate goal in the personnel organization of foreign affairs agencies is a unified Foreign Service of the United States, although we recognize that this goal may have to be approached in stages. We also assume that the value of the planning recommendations made in this paper will obtain at each stage in the movement toward a unified Foreign Service of the United States. To cover this contingency, our planning guidelines and proposals for implementation are designed to be valid whether the personnel system to which they are being applied is limited or comprehensive, compatible or integrated, decentralized or centralized.

Agency Personnel Planning Practices

a. *Department of State*

The personnel information system emerging in State is essentially an outgrowth of the Manpower Utilization System and Techniques project inaugurated in 1965. The specific objectives of the current efforts are:

(1) to establish the present and projected foreign affairs manpower needs;

(2) to develop assignment programs for individual officers which best reflect their abilities, desire, and potential consistent with foreign affairs manpower requirements; and

(3) to compare and balance the individual assignment program with manpower requirements.

As the first step toward objective (1), it was decided that a new inventory of existing positions was needed. New position categories, replacing old Foreign Service and Civil Service titles and including all positions, both overseas and domestic, were established. All position categories were placed in five broad grade ranges replacing identification by Foreign Service or Civil Service grade classification. Within this framework a new position inventory, in consultation with bureaus and offices of the Department, was undertaken. The material thus developed was recently matched against resources based on data taken from the form DS-1616 (Employee Career Record) of each individu-

al. Unfortunately the results of this first exercise have been a disappointment and have very limited value for planning purposes. The basic approach appears to be generally in the right direction, however, and with some refinement of the raw material subsequent runoffs may at least identify the broad areas of maladjustment between existing needs and resources.

Work towards objective (2) was simultaneously undertaken. Assignment patterns projected for periods of up to ten years have been, or will be, developed for all officer-level personnel of the Department. These projections employ the same terminology, position categories and codes developed for the position inventory. Assignments are projected to a geographic or functional bureau and a broad functional category, but not to a specific position. In arriving at the projections, considerable weight is being given to officer preferences. No attempts have been made to make determinations on the basis of competition with other officers at the same level, or statistically to balance out projections against Service needs. Training assignments appropriate to the various grade levels and functions are built into the career projections for each officer.

Objective (3) lies further in the future, but remains a goal towards which work on the first two objectives is ultimately aimed.

At its present stage of development, the State Department's personnel information system is still a considerable distance from the point where it can begin to have practical applications as a tool for over-all manpower planning. It does, however, constitute a foundation upon which a much more comprehensive system can be erected.

Within the immediate office of the Deputy Under Secretary of Administration, a small informal group is now re-examining career principles which should guide the Service as well as the personnel information system which might give assistance and support to those principles. An attempt is being made to pool the thinking of some key people to map out a general policy course and to draw up proposals on getting information to satisfy immediate management needs. It is too early to estimate the probable results of the work. However, the approach of this group appears to be realistic and is supported by strong top-level interest and determination.

b. *United States Information Agency (USIA)*

With a comparatively small staff to administer within the foreign affairs community, USIA operates without a separate and continuing manpower planning function. The personnel office conducts periodic studies to determine immediate and future needs for its personnel both at home and abroad. The most recent study was made three years ago and is still the basis for USIA planning. The study showed that in an average year USIA would lose no more than 140 employees. USIA's planning for the future then became based on replacing that 140 each year. Sixty junior officers and thirty-five secretarial appointments were set as a standard, with the remaining number up to 45 to come from lateral entry and other sources depending on the circumstances of the immediate needs. For the past two years, USIA has been losing close to the 140 estimate, but with Vietnam taking a large proportion, the agency has had to take in more employees than expected.

Personnel assignments are made on the basis of the staffing patterns of each post and consideration of employees available for reassignment at any particular time. Positions (i.e., Service needs) throughout the agency are required by law to be reviewed and certified every year.

A study on "Expanded Personnel Management Information Requirements" was begun in January 1968. Its purpose is to study the

needs of the agency and to develop a skills inventory for USIA. The final report is due in May. This study group may consider relating its work to the State Department skills inventory system. At the present time some personnel information is kept on IBM keypunch cards, and the conversion of this material for computer use is also being studied.

c. Agency for International Development (AID)

Since AID depends on Congressional appropriations which fluctuate widely from year to year and must constantly change its staffing pattern as budgets and programs change, it cannot plan for the future as do the more firmly established foreign affairs agencies with more stabilized program activities. AID is also faced with the problem of filling many highly specialized positions on a relatively short-term basis, which makes long-term planning all the more difficult.

AID uses computers to assist in its personnel functions and has developed a set pattern of position titles. Staffing, however, must be handled to a great extent on an *ad hoc* basis of finding a new job for a man as he finishes an assignment.

AID's promotion process calls for a determination by the Personnel Director of the number of promotions which can be made in the light of needs of the service, availability of funds, and other pertinent factors. Decisions are also made on the number and types of training opportunities, including university assignments, to be offered to employees. At present, however, AID has little basis factually for judging priorities and setting goals or limits for recruitment, promotion, training or similar personnel activities.

General Conclusions

All three foreign affairs agencies are making some progress in assembling personnel data for planning; however, these separate and independent efforts lack commonality and coordination. Excellent computer facilities are available but are limited in their utility because designs of the different personnel information systems are incomplete and the information produced is still inadequate for broad management uses. Then, too, there is still no generally accepted concept of what the manpower-planning function should be to serve the needs of foreign affairs agencies.

An encouraging sign is the interest shown recently by the Under Secretary, the Deputy Under Secretary for Administration, and a few other key officials of the Department and USIA. There appears to be not only a serious management concern but also an awareness of the void caused by the absence of accurate, meaningful information and of a manpower-planning capability.

Despite the conviction that manpower-planning information is both essential and in short supply, the Subcommittee nevertheless believes that an activity of this type cannot be introduced and made to flourish, except in a most sympathetic environment. To be successful a foreign affairs planning effort will need:

a. Sincere interest within the foreign affairs community in having a manpower-planning system;

b. A commitment at the level of the Secretary, the Administrator of AID, and the Director of USIA of the talent and funds for a sustained effort to assure the success of the program despite the expense of a quality staff and an automated data-processing system.

c. Both agency and interagency programming systems capable of supplying information which can be meaningfully translated into personnel plans and, in turn, into budget policies.

d. Agency and interagency decision points where plans can be reviewed, approved, and monitored for compliance.

Manpower-planning activities, both formal and informal, are taking place in varying degrees at many levels of each agency's organization. As the planning moves to lower levels or closer to the operation, the emphasis on procedural, rather than policy, aspects tends to increase. Planning at these various levels, of course, must continue. However, the current problem is to assure: first, that broad policies on programs, budgets and personnel can be decided upon by agency leaders who have the benefit of reliable information for inventory, assessment, and forecasting; and secondly, that a framework of goals and limits can be developed to guide both planning and operational activities at lower levels.

Recommendations

I. There should be established a manpower-planning capability, consistent with the Foreign Service Act of 1946 as amended and NSAM 341, to serve individually or collectively the agencies staffed by the Foreign Service of the United States.

In view of the wording and evident intent of the Foreign Service

Act of 1946 and the NSAM 341, the Secretary of State has the broadest possible interagency authority and responsibility in the field of foreign affairs. However, the Secretary of State now lacks an interagency manpower-planning capability which is critically important in performing the full role with which he is charged by legislation and order of the President. (See APPENDIX I for pertinent excerpts of these authorities.)

The Subcommittee believes that a manpower-planning unit should be established so that it functions on an interagency basis in the office of the Under Secretary of State. As the Secretary's designated representative, the Under Secretary assists the Secretary in discharging his interagency responsibility to "administer, coordinate, and direct the Foreign Service of the United States." The unit would, of course, provide budget officers and programmers (regional and functional) of the various agencies with information about personnel resources and needs and also with specific recommendations for policy changes or for new goals or limits on use of personnel. Of utmost importance, however, is that a manpower-planning unit, armed with reliable information and an ability to interrelate policy, program, budget, and personnel considerations, can be a highly useful instrument to the Under Secretary, acting for the Secretary in SIG and in other interagency relationships, to achieve unity of purpose and effort within the foreign affairs community.

The central manpower-planning unit would work on an interagency basis. However, there should also be agency planning units which complement and support the central unit. The agency units should not duplicate facilities or functions of the central unit but, rather, work in close harmony with it while concentrating on planning for their own agencies' needs. Thus, each agency unit would translate interagency policy goals and limits into similar guidelines applicable strictly to the agency concerned. In turn, there would be an upward flow of information and ideas from agency units to the central unit.

The central manpower-planning unit should also give staff support to certain aspects of the work of the Board of the Foreign Service. The information and ideas generated by the unit can provide both perspective and stimulus for the Board's deliberations and, through this means, make it easier to apply the broad knowledge and judgment which these high-level members contribute personally to the Board's functioning. In this way, the unit can substantially strengthen the role of the Board, in keeping with the original intent of the Foreign Service Act, to serve as an important advisory arm of the Secretary of State.

The principal functions of the manpower-planning unit would be:

a. Designing the systems for, and monitoring the use of, an automated data bank which would hold current, comprehensive and accurate facts about the personnel of the foreign affairs community and about positions of the agencies concerned. The machine complex would be relied upon to assist with the calculations needed for development of projections.

b. Publishing reports and statistical summaries to serve agency and interagency management.

c. Making long-range studies of environmental factors that might impact upon the recruitment and management of personnel resources of foreign affairs agencies. (An attempt to foresee some of the environmental and functional factors in manpower planning is covered in APPENDIX II. Sections I through V of APPENDIX II were prepared as an initial paper for Subcommittee A of the 1967 Career Principles Committee, and Section VI was prepared by the present Subcommittee. There was not unanimity among Subcommittee members on the content of this particular Appendix; however, its main purpose is to illustrate the kinds of environmental and functional factors that should be considered in the future.)

d. Developing policies and short-range guidance as needed for managers of foreign affairs personnel, funds, and programs.

e. Reviewing administrative policies and operations to determine their conformity with approved plans.

f. Identifying policy issues requiring interagency consultation.

II. The manpower-planning unit should design and help establish a data bank of current and projected job and employee information adequate for the needs of planning, personnel operations, and inter- and inter-agency leadership. (See APPENDIX III.)

State, USIA, and AID now have some useful information and procedures which could be included in a comprehensive management information system. Also, at the present stage, it would not be difficult for all three agencies to adapt to a common system. To reflect personnel resources adequately, an agency assessment of an officer's

talents and potentialities should be added to his own subjective judgment of his skills. Similarly, the current position inventory should include at least a five-year projection of anticipated changes to the current job list.

Although an automated information system lends flexibility, speed, and accuracy to the planning process, it can be no better than its human design and administration. Moreover, it cannot be considered as the exclusive and mechanical generator of all-purpose plans. In order of priority the Subcommittee recommends the constitution of a planning team first and the design of an information system second. This sequence will encourage the definition of how the machines could and should be used before the work of assembling the information for machine storage is launched.

III. *Foreign affairs agencies should recognize and institute the manpower-planning role in the personnel system as a whole and in its specific parts.*

For illustration:

1. *Recruitment*

Planning should clarify the respective roles of the various categories of personnel (FSO, FSR, FSS, GS, or others) and should recommend the number of employees by specific functional groups and class levels that should be recruited from outside the Service for each of the categories. It should propose to what extent the examination system should enable those with specialized educational backgrounds to compete separately, such as on different options of a general examination. Through its assessment function, it should identify the need for new or modified examinations to fulfill both the separate and the common requirements of all foreign affairs agencies. It should consider potential sources of skills and make recommendations as to those functional groups (or proportions of such groups) of positions which should be filled by entry level examination, lateral entry appointments, interagency exchange assignments, limited duration appointments, or by assignment or development of employees within the Service.

2. *Assignment*

Planning should summarize and assess the extent of employee interests and of employee capabilities in relation to types, levels, and general locations of assignment opportunities. It should identify shortages and overages in terms of time sequence. It should analyze, and make recommendation on, the need for increased or decreased interagency assignments or other types of unique assignments which might improve utilization of employees or contribute to a better balance within the Service. It should assess the degree to which educational backgrounds or skills in short supply are being fully utilized.

3. *Classification*

Planning should re-examine whether the classification system makes meaningful distinctions in position levels consistent with employee levels.

4. *Development.*

Planning should develop guidelines on the kinds of assignment and training which are considered most appropriate during different career stages for employees of different functional groups. It should likewise propose standards to be applied in determining employees' eligibility to be considered for a developmental assignment or training.

Planning should analyze the shortages in the Service and make recommendations on which can best be overcome by in-Service training and which types of employees should be given consideration for selection. It should assess the extent to which there should be greater integration of functional, area, and language specialties with the aid of training or developmental assignments. It should analyze whether the financial investment in specific types of training is resulting in favorable returns in the form of optimum utilization of such training and improved effectiveness. It should propose new types of training to meet important new needs.

5. *Promotion*

Planning should compare the number of employees by category, functional group, and level with a similar statistical array of positions. It should make allowances on at least a 5-year projected basis for anticipated attrition, promotion, lateral entry, and increased or decreased program requirements. It should then propose quotas for each year's promotions. There should also be a review by the planning unit on (a) what happened as a result of past promotions in comparison to projected Service needs, (b) whether promotion rates are too slow or too fast to maintain career incentives, (c) whether high quality levels are being upheld, (d) whether the promotion process is helping to single out those employees who are deserving of immediate or future consideration for key positions of command and

leadership, and (e) whether the five broad levels of positions are adequate for purposes of comparing numbers of employees with numbers of positions to arrive at promotion quotas by class and functional group. From such a review the planning unit should then propose modifications in guidelines, quotas, or procedures to bring about improvement.

6. *Evaluation*

Planning should examine the sources of evaluation material, including supervisors', inspectors' and end-users' reports, to assess whether such sources are adequate and whether the reporting coverage is sufficiently complete for the purposes they are expected to serve. It should propose improvements which are essential to taking qualitative inventories periodically by category, functional group, and level. It should develop and recommend uniform ways of estimating potential of employees to advance in the Service. It should review guidelines for evaluation and suggest improvements which will encourage the kinds of uniformity and coverage that will increase the utility of evaluative information for inventory purposes.

7. *Voluntary Retirement and Resignation*

Planning should analyze the kinds and rates of retirement and resignation. Abnormally high rates should be checked to interpret their significance—i.e., low morale, health hazards, dissatisfaction with assignments or promotion opportunities, lack of recognition or incentive, etc. If these unusual losses are a detriment to the foreign affairs agencies, and the causes can be identified, planning should propose a general course of corrective action. It should also diagnose the need for outplacement and assess the extent to which outplacement is proving to be successful.

8. *Selection-Out*

Planning should examine both the criteria and the results of selection-out. It should question whether earlier planning, itself, has been faulty in causing unnecessary imbalances in the Service and whether there should be a greater effort to achieve anticipated reductions through careful gauging of attrition rates, controlling of in-take, and using the probationary period as intended to identify and eliminate those unsuited for a Foreign Service career. It should assess whether valuable skills in short supply are being lost and, therefore, reducing the over-all effectiveness of the Service. It should examine on a sampling basis whether employees in the selection-out zone are being considered competitively and fairly in all functional groups in which they have a competence. Careful study should also be made, particularly at the top levels, to determine whether there is a serious problem when employees are not selected out but are, by default, left to compete for top positions of command and leadership. It is expected that selection-out must eliminate even good employees who are not otherwise equipped at an advanced stage of their careers and at their own peak levels to assume broader leadership responsibilities.

Note: All members of the Subcommittee support the above views on the planning aspects of the selection-out process. However, three members wish to present the minority report, which follows, on certain other aspects of selection out.

Minority View On Selection Out

Three members of the Subcommittee (Thomas Tracy, Elizabeth O'Brien, and Archie Bolster) felt strongly that selection-out as presently administered in the Foreign Service Officer corps has been rather haphazard, largely because supervisors fail clearly to label employees whose performance is less than satisfactory. Selection Boards are thus hampered in determining which employees should be placed at the bottom of the rank-order list. Too often an officer is kept on the rolls for several years pending retirement despite marginal performance because supervisors write noncommittal efficiency reports. To improve selection-out as now used and as may be used in a unified foreign service system in the future, the Subcommittee minority made three recommendations:

1. The instructions to rating officers on efficiency reports should include a strong admonition clearly to label marginal employees.

2. The time-in-grade restriction now being imposed should be shortened at the junior officer level (FSO-8 through -6) and lengthened in the mid-career area (FSO-5 through -3). The purpose would be to weed out marginal officers earlier in their career, and to permit middle-grade officers who may be doing routine work which does not always receive adequate recognition (such as consular work) to serve out a career of reasonable length.

3. Emphasis should be placed on the positive aspects of retaining capable officers through a system of "selection in." As stated in the majority portion of the section of selection-out, in some cases senior

officers are simply brought by default into top executive positions because they have been avoided being selected out. The purpose of "selection-in" would be to retain only those officers reaching a designated retirement age, say 50, whose skills were specifically needed by the service. All others except officers serving as Ambassadors would retire. Personnel "selected in" would be guaranteed 5 years employment subject to renewal for an additional 5 years, i.e. until age 60, except that this five-year review would not apply to a Career Minister or a Career Ambassador or to an officer serving as an Ambassador. To implement such a system of retirement, the level of benefits would have to be raised from 2% to 2.5% per year, so that retirement at 50, if that were the age designated, would provide a pension of 50% of the officer's salary. The "selection-in" system would give positive control over the size of the personnel structure in the distribution of skills in the Service. This would be true not only in the officer's years of service immediately prior to his reaching the retirement/selection-in zone, but also earlier in his career because he would be made aware of the skills needed in the Service as shown in previous "selection-in" decisions. The intention would be to urge employees to place themselves in a position to be "selected in" by acquiring skills known to be in short supply. In this way the effect would be to add another means of providing skills to meet the needs of the Service to the present means of recruitment, assignment, and training.

APPENDIX 1

Excerpts of Special Authorities of the Secretary of State

The *Act of 1946* was amended on May 26, 1949, as follows:

"The Secretary of State, or such person or persons designated by him, notwithstanding the provisions of the Foreign Service Act of 1946 (60 Stat. 999) or any other law, except where authority is inherent or vested in the President of the United States, shall administer, co-ordinate, and direct the Foreign Service of the United States and the personnel of the State Department" [Sec. 3, P.L. 81-73 (63 Stat. 111; 22 U.S.C. 811a)].

NSAM 341 of March 2, 1966, from the President provides as follows:

"To assist me in carrying out my responsibilities for the conduct of foreign affairs, I have assigned the Secretary of State authority and responsibility to the full extent permitted by law for the overall direction, co-ordination, and supervision of inter-departmental activities of the United States Government overseas."

APPENDIX II

Environmental Factors of the Next Decade Influencing a Foreign Service Structure

I. Within the Intercountry Relationship System

A. *U.S. Position.* The United States will retain its position as a world power with the inherent responsibility for reacting to world events, but its leadership will be more circumscribed than in the past by domestic and international considerations and by major powers and a growing number of lesser ones seeking their national goals through relatively more independent actions. The responsibilities of eminence will impose additional requirements for contingency plans and rapid response capabilities.

B. *Global, Regional, and Special Interest Association of Nations.* The use of international associations to achieve common national goals will continue to grow both among advanced nations and among small and economically undeveloped nations, partly as a means of negotiating on more equal terms with the major powers and groupings.

C. *Economic and Technological Gap.* The disparities between the United States and other developed countries, on the one hand, and the lesser developed countries on the other will continue to grow. The population explosion will be a contributing factor to the economic and technological gap and will create a major obstacle to corrective action.

D. *Role of National Political Personalities.* The factors mentioned in Section II, technological advancements in communication and travel, and other destabilizing influences will further propel political leaders of all countries into active participation in foreign affairs.

II. Within the Domestic Political System

A. *Public Domain.* Consideration of foreign policy will be further

recognized as falling within the public domain. Expertise and influence in matters of policy and program will increasingly be shared by government agencies with Congressional committees, business, labor, ethnic groups, religious organizations, universities, foundations, scientific societies and others.

(Public reporting and debate will create a body of public opinion which will be of even more concern to government agencies than in the past.)

B. *Domestic Political Implications.* Political parties will introduce foreign policy issues into domestic political competitions except in periods of extreme emergency. Party leadership therefore may be called upon to assume an increased and responsible role in the development and execution of foreign policy.

C. *Formulation and Execution of Foreign Policy.* The interest and competence of various domestic groups will further encourage the President to seek advice on foreign affairs matters from the private sector as well as from the Department of State and other selected government agencies and individuals, notwithstanding current efforts to formalize the policy and program coordination process within the federal structure.

III. Within the System of Operational Controls

A. *Agency Organizational Considerations.* Except possibly for the immediate family of foreign affairs agencies, the number, diversity and complexity of overseas activities and the close relationship of many of them to domestic programs will militate against their centralization in one or a small number of agencies.

B. *Emphasis on Coordination.* Good management, limited resources, political considerations increasing demands upon the energies of the President and Secretary of State, and further centralization of responsibility at the Presidential level will require more emphasis on integrated interagency planning of U.S. overseas programs. Agency autonomy, however, will require the greater use of managerial tools and leadership by the Department of State rather than of actual authority to exercise its coordinating role. Factors which will influence the locus of power to coordinate and direct foreign affairs activities within the Executive Branch will include control of resources, technical competence including research capabilities, Congressional support, and dynamics of leadership. The Bureau of the Budget and White House staffs, moreover, will continue to play an important role in the foreign affairs field.

C. *Role of the Ambassador in Mission Operations.* Chiefs of Mission will be expected to participate in more sharply defining US objectives in the country to which they are accredited. Overseas programs will be reviewed and coordinated by Ambassadors in greater detail.

Similarly the authority of the Ambassador to coordinate the timing and issues of negotiation will be given more recognition although the conduct of a particular negotiation may be assigned to experts in the subject involved or to special representatives.

D. *Mission Organization.* The concept of the country team will be continued, and the scope of authority and responsibility of the Ambassador will be extended. It will grow in proportion to the success of the Department of State's effectiveness in executing the intent of NSAM 341.

E. *Coordination at the Washington Level.* Notwithstanding current domestic debate regarding the nature and character of policy and program coordination delegation, organization and procedural arrangements will be required at the Washington level to at least the same degree as now pertains in overseas missions.

IV. Within the System of Program Goals

A. *Commercial.* US business efforts overseas will continue to expand.

B. *Sociological, Political, and Economic Development.* The form and the size of our effort to assist developing nations may change, but the objectives will remain as a policy. The more rapid area of growth is likely to be the private sector.

C. *Military Assistance.* It will remain the policy of the United States to assist certain countries to cope with internal subversion and external aggression. There will probably be less emphasis on overseas facilities for the support of US forces.

D. *Domestic Programs and Citizen Services.* For such reasons as the need to provide services for Americans abroad, research or better liaison with foreign counterparts, the number and variety of domestic agencies represented directly or indirectly overseas will grow. The growing variety of services provided to citizens by the Federal Government will require additional staffs at Foreign Service posts.

E. *Reporting.* The volume of information flowing from abroad to

Washington will increase, with greater emphasis on technological information. The Department of State will have to adopt advanced techniques for the retrieval, storage, and analysis of the flow of reporting from both private and public sources.

V. *The Management System*

A. *Information.* Machine methods for storing, recalling, and analyzing information will be available, and the volume to be processed will require the use of automatic data-processing equipment.

B. *Expertise.* The availability of more and better data, and access to more sophisticated data-processing equipment, will raise the level of expertise required in foreign affairs policy-planning operations and promote greater specialization in existing fields.

C. *Research.* The State Department will continue to use the research developed by other government agencies, universities, and research centers, but policy and program issues will require a greatly expanded research capability within the foreign affairs community. The application of behavioral and physical science research to foreign affairs appreciation will be of growing concern to the foreign service.

D. *Cost Effectiveness and Efficiency.* Increased efforts to better use limited national resources will emphasize the need for skill in the business management of our foreign programs.

E. *Planning and Programming.* Instability in the world order, events impinging upon US interests, limited national resources, the increased growth of scientific and technological information, and the need for prompt interaction to new situations will require the understanding and application of more sophisticated planning and programming tools throughout the foreign service.

F. *Competition for Skills.* Universities, business, local, state and federal governments, research institutions, foreign establishments, and international bodies will be competing with the foreign service for individuals with a mastery of a particular discipline and for managers capable of managing organizations with a complex pattern of activities.

VI. *Functional Considerations 1968-78*

It does not seem possible to arrive at a conclusion about the total number of personnel who will be in government service overseas by 1978, even though the general trend has been toward larger staffs year by year. It seems clear that the pressure now being exerted to cut US mission staffs overseas by more than ten percent will last more than a few years, and Congressional and public concern about the size of US staffs abroad will reinforce economy moves prompted by balance of payments difficulties. There follows an attempt to predict the expansion or contraction of the number of US Government employees abroad in the functional categories shown (which are arranged in alphabetical order after the category of Program Direction):

A. *Program Direction.* In the period 1968-78 the number of foreign affairs personnel engaged in 'program direction' will increase because of the continued proliferation of independent political entities in which diplomatic missions are established and the need for coordination of the increasing number of specialized personnel assigned to diplomatic and consular posts.

B. *Administration.* The number of American personnel in administrative work during the next ten years will probably decline slightly. While new posts will require administrative personnel, technological improvements, such as automated communications and automated payroll and vouchering, will cut administrative personnel needs. Centralization of these administrative functions, and possibly of others in coming years, will also decrease administrative personnel but will establish a need for senior officers filling such functional jobs in the larger posts.

C. *Agricultural Production and Marketing.* Because of increasingly acute world food shortages, personnel involved in this function will increase slightly. Although US food surpluses will probably be regulated somewhat according to world demands for food, the continuing need will necessitate the assignment of personnel for the negotiation of War-on-Hunger agreements. The assignment of agricultural production specialists on a limited tour of duty away from their normal work will increase because of the need for foreign governments will have for technical assistance to increase food supplies.

D. *Consular.* Increasing international travel and the growing number of Americans overseas (whether short or long term) who need consular services will increase moderately the number of personnel doing consular work.

E. *Economic and Commercial.* The number of personnel involved in these two related functions will increase substantially. The complexity of international trade negotiations, the growth of regional free trade associations, and the urgent need for trade promotion to meet

competition for world markets will dictate concentration of personnel resources on trade promotion in order to make up for inadequate concern shown in this area in the past. Economic interdependence will likewise give greater importance to all facets of economic reporting.

F. *Foreign Development.* The number of personnel involved in this function will decrease moderately. The further economic and social development of countries receiving US technical assistance will decrease slightly the need for US personnel providing such assistance. On the domestic scene, growing public sentiment against foreign aid (as reflected in Congressional opposition to high levels of foreign aid) and the balance of payments deficit will argue for decreases in these programs. The growth of regional development organization and the desire of recipient countries to receive technical assistance from multilateral institutions will decrease further the number of US Government employees involved.

G. *Informational and Scientific.* There will be on balance a moderate decrease in personnel working in these functions over the next ten years. The development of international communications and spontaneous cultural interchanges will cause decreases in dissemination activities only partially offset by an increase in activities designed to help foreigners interpret accurately and objectively information they have received about the US and its policies. The proliferation of scientific knowledge and research and the emphasis placed on exchange of scientific information will increase only slightly the number of US Government Americans involved in scientific exchange because much of this transfer of information will take place spontaneously within the international scientific community.

H. *Military Forces and Training.* Balance of payments stringencies will probably cause a decrease in troops stationed overseas on long-term basis under peacetime conditions, particularly since increased logistical mobility has made it possible to maintain forces in the US which could be rushed overseas on short notice. In view of the political liability of large concentrations of US military advisers overseas, more training may be carried out in the US.

I. *Political Reporting and Negotiating.* The number of people engaged in this function will probably remain much the same as at present, because the need for additional personnel here and abroad (for new posts) will be offset by consolidation of jobs and closure of posts no longer essential to the conduct of our foreign relations. Grouping of political functions in regions may take place in Africa, for example. Personnel strength at USUN will probably increase.

J. *Intelligence and Research.* The number of persons involved in this function can be expected to increase slightly over the next ten years. Modernization of information storage and retrieval will permit some staff reductions, but these will be more than offset by the need for more personnel with the skills needed to examine and analyze the ever-growing volume of intelligence information.

APPENDIX III

General Concept and Design for a Manpower-Planning System

Manpower planning has long been considered vital in any serious efforts of the past to reform agencies engaged in foreign affairs or to bring improved coordination, commonality, and effectiveness to "The Foreign Service of the United States." Although the objectives are not new, the need was never greater, and the situation was never more favorable.

General Objectives

The manpower-planning function will be worthwhile only if it substantially helps foreign affairs agencies to fulfill their program purposes. Thus, it should help agencies concerned to understand and to explain manpower changes as they develop. It should predict possible staffing problems and suggest ways to control or improve the manpower situation. It should make certain forms of work easier and aid importantly in policy judgments and action decisions.

Relation of Manpower Planning to the Individual Employee

Employees are, of course, the principal resource through which foreign affairs agencies attain their objectives. The use and development of this human resource, and thus of each individual, is of paramount concern. Manpower planning is intended to undergird and encourage the best possible use and development of each individual, but it must do so indirectly. It necessarily deals with employees collectively and with the assembly and interrelating of facts. Through analysis, it leads to knowledge of opportunities as well as of problems

and to proposed changes which will improve the use and development of all deserving employees. In no way does it supplant programming, budgeting, or personnel operations which also influence the use and development of the individual employee; rather it should complement and support all three.

Limits and potentialities of Manpower Planning

Plans, as the term implies, are not final and do change as there are valid reasons for change. The manpower-planning function is of course limited; no more should be expected of it than it is capable of producing. However, through putting known information in perspective, planning should help to reduce the chance of error in judgment.

To be useful, the planning function must compete against time and expediency. A "hunch" is obviously the shortest path to a decision, and it may be just as right as a decision evolving from the arduous task of conceptualizing, quantifying, and analyzing. However, the risk, cost, and even probability of error in foreign affairs activities in today's world are great and give rise to the question of whether the agencies concerned can afford to be without adequate manpower planning and the advantages it may offer. If foreign affairs agencies choose the surest, rather than the shortest, path, then success of the planning function will depend on certain factors including: a competent staff in a coordinating role organizationally; a steady, timely flow of reliable information; and a logical and orderly way of putting information together and drawing conclusions from it.

Nature of the Manpower-Planning Function

Manpower planning generally involves: compiling of meaningful information about positions and employees of the community of foreign affairs agencies; analyzing the size and characteristics of the corps of employees to perform foreign affairs duties now and in the future; and proposing courses of action to overcome staffing problems that can be foreseen. To serve these purposes, the planning function should include the following elements: guidelines; information about Service needs; information about employees; data bank; summarization and analysis; and processes for review and control.

Guidelines

1. Manpower planning is intended to assure that there are enough competent people of the right type ready when required to meet "Service needs," including new needs that may arise in the next 5 to 10 years. The emphasis is on "quality"—or the ability to perform with full effectiveness—and not just on "quantity."

2. Planning should take into account unique features of the Foreign Service—i.e., rank-in-man, class and specialty competition for promotion, assignment by agency order, and rotation between home and field services.

3. Except for staffing those functions which are of limited duration and can be treated only on a non-career basis, foreign affairs agencies together must foster a career service which emphasizes professional competence, mutual respect among employees with different specialties, opportunity to develop and advance according to one's merits, loyalty, dedication, and pride in serving the Nation in a distinctive and important way.

4. "Service needs"—or the positions to be filled in performing necessary functions—determine the size and nature of the corps of employees for foreign affairs agencies; therefore, it must be possible to increase, adjust, or decrease the corps as Service needs fluctuate.

5. It is fundamentally the individual's responsibility to develop himself. Agencies can, and should, encourage and assist in this process whenever possible by making available opportunities for training or experience which will enhance an individual's usefulness to the Service. To assist in manpower planning, it is important to be able to take stock periodically as to the interests and aspirations of employees of the entire Service.

6. As the individual progresses in his career, he will often acquire experience in more than one function and will demonstrate that he has the knowledge, ability, and maturity to perform effectively in different types of work. The possibilities will of course vary with the individual, although there should not be a prescribed number of special competencies that an employee must have beyond his primary field. Therefore, for manpower-planning purposes, means must be provided to identify each employee's principal abilities and potentialities and their relative importance.

7. Along with factors measurable in quantity or quality, planning must relate its findings to intangible factors such as objectives, circumstances, morale, and motivation. It must also consider alternative solutions and, wherever possible, take into account comparative benefits and costs.

8. To facilitate the planning process, it is especially important to express an employee's abilities and potentialities in terms as specific

as possible.

9. If a Foreign Service corps is to be used to staff all foreign affairs agencies, then superficial barriers to interagency and interfunctional assignments and competition should be eliminated. An initial and essential step for this purpose is the establishment of a common terminology and a common system for identifying, obtaining, and using information on Service needs and on employees of all foreign affairs agencies concerned.

10. Policy, program, and budget changes should be interpreted in terms of Service needs and should lead to reshaping the corps of employees. Insofar as possible, this reshaping should be accomplished with a minimum of personal hardship, organizational disruption, and cost.

11. Since many approved actions resulting from long-range planning must be implemented in stages and by a multiplicity of action agents over a prolonged period of time, there must be adequate means for assessing progress periodically and redirecting efforts accordingly.

Information About Service Needs

1. Information should be maintained on all positions and position-equivalents. (Position-equivalents are intended to cover needs that call for substantial use of employees' time but are not identified through the normal process of setting up classified positions—e.g., training assignments, interagency assignments, home leave and transfer time, assignments to international organizations, details for unusual or crisis operations, etc.)

2. Common terminology and a common set of codes reflecting functional distinctions should be applied to all positions and, where feasible, to all position-equivalents of agencies of the foreign affairs community. (It is suggested that such distinctions be expressed in the form of "functional groups." Each group should represent positions and position-equivalents calling for similar qualifications which cannot be readily acquired on the job but which reflect combinations of knowledge and capability considered essential for achieving fully effective performance in such work at each class level.)

3. Position records should, among other items, include: geographic and organizational locations; class or grade level; functional groups indicating both the nature of the work and employee qualifications considered most suitable; limitations on duration of the work; prospective dates for filling, changing or eliminating positions; and employee category (FSO, FSR, FSS, GS or other) considered appropriate for staffing purposes.

4. Designated organizational units within each agency should be responsible for checking periodically the completeness and accuracy of position information and for making adjustments for program and budget changes.

Information About Employees

1. The common terminology applicable to positions should also be applied in the identification of employees' capabilities, interests, potentialities, and assignment or development preferences. Employee identifications in the form of "functional groups" should signify that the individual has the unique combination of (1) knowledge and capability and/or (2) interest and potential to perform effectively in the types of duties indicated.

2. Since employees' experience, knowledge, interest, and capabilities change from time to time, there is need for periodic review and revision of this information.

3. Education and in-Service training are, of course, contributing factors in deciding upon the functional groups in which an employee can best serve or develop; however, these also represent special employee assets which should be inventoried periodically for purposes of knowing the characteristics of the corps of employees and also of searching out qualified candidates for functional fields in which there are shortages.

4. It is recognized that many, if not most, employees have more than one type of functional competence or skill which can be utilized in the Service: therefore, employee records might reflect up to three skills and three fields of potential for each employee, and the relative importance of each could be indicated by the order of listing. (The limit of three is suggested to simplify use of information, but it also recognizes that, for all practical purposes, an employee would normally not be considered at a given time for more than his three fields of highest functional competence or potential. Also it recognizes that other types of information such as education or in-Service training may suggest other fields or prospective utilization).

5. Information on self-claimed abilities and potentialities will help to determine whether there are disparities between aspirations and capabilities and to avoid overlooking prospective employees for functional fields in which there are shortages. Even more important,

however, is the need to have information on abilities and potentialities based on objective judgments made by qualified persons other than the individuals themselves.

6. In line with the above and other generally recognized needs, employee records should include: personal history and appointment information; education; in-Service training; language skills; current class or grade and date of entry; fields of functional competence and potential (with "self-claimed" and "agency-assessed" types indicated separately); agency; position number to which currently assigned (such number will serve as a necessary link between employee records and position records); date of assignment to present position; assignment and development preferences of employee; estimated date of next assignment; position number of next assignment, when known; and possibly other related information.

Data Bank

1. A carefully planned and controlled system should be developed for the storage, retrieval, and renewal of information on positions and employees, along the lines presented in the two preceding sections.

2. Modern techniques and facilities for automatic data-processing should be employed, and a qualified computer programmer should be assigned to the manpower-planning staff.

3. The information system should be set up to produce: statistical reports; listings of positions or employees or both in whatever combination or arrangement may be necessary; and special summaries interrelating such factors as types, locations, numbers, costs, and timing.

4. Responsibility for the various types of informational input into the system should be assigned definitively to specific offices, and means should be established to assure the continuing flow of information on schedule.

Summarization and Analysis

1. It is at the "summarization and analysis stage" that a vast collection of facts can be converted into forms bringing specific benefits or utility to agencies. Of great importance, therefore, is to determine as precisely as possible the purposes to be served and the kinds of reports, lists, or statistical summaries needed. The purposes should probably include the following:

a. To depict the size and characteristics of the corps of employees in relation to Service needs.

b. To reflect staffing trends in terms of personnel supply and demand.

c. To identify quantitative and qualitative shortages or surpluses of personnel by level and functional group.

d. To estimate future needs and to set quotas for: recruitment through general entrance examinations and, as appropriate, through specialized lateral entry appointment; training; promotion; inter-agency assignments or details; non-Government assignments; selection-out; and outplacement.

e. To inventory area experience, language proficiency, educational backgrounds, and in-Service training and to gauge whether these "assets" are being utilized to the optimum extent.

f. To compile reports on employment, attrition, promotion eligibility, retirement eligibility, rate of promotion, legal residence, home leave and transfer eligibility, military reserve status, and a variety of other such factors.

g. To search out candidates for assignments calling for unusual combinations of knowledge and capability or for meeting new, critical

staffing needs.

h. To assemble information to assess possible impact of proposed policies under consideration.

2. Since the Foreign Service, by its nature, calls for a mobile corps of employees, each employee with two or more specialties may be considered for two or more assignments and a similar number of career lines of development. The variety of choice that can be made concerning each individual suggests an infinitely more complex set of possibilities for assignment changes among the entire corps of employees. It is not feasible to deal in exact terms with such an unlimited array of possibilities. However, this difficulty can be overcome to a large degree through summarization of data selectively in the form of ratios and probabilities and then the testing and adopting of criteria for evaluating the results.

3. To plan ahead, of course, implies the prediction of needs and ways to satisfy these needs. Such predictions can be made only on a basis of "other things being equal." To avoid misuse of forecasts it is essential that they be interpreted and assessed in the context in which they were made.

4. To plan ahead also implies a time horizon. Choice of a horizon too distant increases the probability of error; choice of a horizon too close decreases the possibility of making significant improvements which must be accomplished gradually over a span of years. For convenience and as a reasonable point of focus on the future, a 5-year basis of projection is suggested.

5. Before any valid conclusions can be drawn, the basic data should be adjusted for increases or decreases reflecting anticipated policy or program changes, without at the same time exceeding estimated budget limitations. Study of the data and the various summaries should bring to light the principal staffing problems and their approximate dimensions. Once the manpower-planning office has been able to make this kind of diagnosis, it can proceed to propose actions to correct or improve the staffing situation. At this stage, decisions made by authorized officials will set the course to be followed. But, even so, the decisions may be modified as new information becomes available or as financial, operational, or other constraints are imposed within agencies or through the influence of external or environmental factors.

6. Analysis should invariably relate to program objectives or benefits and bring together not only the significant facts bearing on a problem but also the non-quantifiable factors or influences. It should reach conclusions on the nature and gravity of problems. It should present information graphically where such means will help achieve understanding of complex relationships. It should point out possible courses of action and present their advantages and disadvantages. Finally, it should lead to specific recommendations and give supporting rationale.

Process for Review and Control

1. Since the staffing situation may change either as a result of decisions made or uncontrollable factors, there is need for means: (a) to follow up on what happens after decisions are made, and (b) to reassess periodically the data which led to the decisions in question.

2. The need for complete, accurate, and timely data must be recognized and supported by all participating agencies. The whole planning function will break down without this basic ingredient. Appropriate means should therefore be instituted to ensure compliance.

Annex A (3)

REPORT OF THE SUBCOMMITTEE ON PERSONNEL SELECTION AND DEVELOPMENT

Assumptions

The Committee assumed that the eventual goal of the personnel systems of the three principal agencies would be the Foreign Service of the United States of America. Regardless of how unification is achieved, it was the Committee's assumption that three career areas in State, AID, and USIA would remain and would continue to be administered in a slightly different fashion. It was further assumed, however, that the type of personnel initially selected to staff these agencies would be roughly similar in background and training but with specialized interest which might lead them to choose either one or the other career field. It was also assumed that especially in the

assignment process personnel practices would continue to conform to the needs of the particular agency and that standardization between them would be extremely difficult. Evaluation, promotion, and selection, however, could be more standardized, and the three agencies should make a conscious effort to arrive at common practices in these areas.

Recommendations

The key recommendations which the Committee has agreed upon are the following:

1. No personnel system can succeed unless it is allowed to operate in a consistent and understandable fashion. The Department should

therefore declare a moratorium on the constant tinkering, change, and manipulation of the personnel function.

2. Joint recruitment programs among the three agencies and a foreign affairs career examination to establish a single register to be used by all of the agencies.

3. A positive program to make the Foreign Service of the United States as representative as possible, with special effort to recruit qualified officers from minority background.

4. The immediate institution of a single system for security clearances in the agencies.

5. An improved system to evaluate the examination and selection procedures of the various agencies in relation to the actual performance of officers once in the Service.

6. The design of a computer model of the personnel structure, needs and availabilities of State, USIA, and AID that would make evident the relationship between entries, promotions, separations, and the development of specializations.

7. Great improvement in the effectiveness of the supervisor-employee relationship through training and a more thoughtful and continuing use of the evaluation report.

8. Increase effectiveness in inspectors' reports by permitting inspection teams to remain longer at posts and thereby do more detailed analyses of each officer, and the adoption by AID of a system similar to that of the State Department.

9. Improved evaluations of officers serving outside the usual Foreign Service structure as in extended training or an assignment to other agencies.

10. A study of the merits of a retirement system similar to that of the military permitting early retirement and development of a second career, and improved outplacement procedures in the Department.

11. Retention and strengthening of the system currently being employed for assignments by the State Department.

12. Maintenance of the principle of rotation at the junior levels with assurance that jobs, supervised by the Junior Officer Program, will be meaningful and creative to the extent possible.

13. The establishment of an ombudsman in the office of the Secretary to investigate and rectify, if necessary, individual grievances with the assignment process.

I. Recruitment of Officers for the Foreign Service of the United States.

General
It is apparent that the three major foreign affairs agencies try to recruit for their junior officer programs more or less the same kind of individuals. Although AID prefers candidates with Master's degrees in economics and USIA looks for interest in public information or communications media, all agencies visit college campuses and address their appeal to the bright, ambitious, internationally oriented student. They all prefer students in graduate school with a background in the social sciences, area studies, journalism or some of the other fields related to foreign affairs. A potential candidate for the FSO examination will also respond to AID recruitment appeals and vice versa. Furthermore, the agencies themselves find it difficult to describe their qualifications for junior officers in any but the most general terms.

Recommendations:

1. The Committee believes that the needs of the foreign affairs agencies for qualified and highly motivated junior officers can best be met by *joint recruitment programs*. Such programs would be more efficient, effective, and less confusing and expensive than the present procedures. We see no reason why the efforts of the three agencies in this area should not be combined at the earliest possible moment.

2. The Committee believes that it is of the utmost importance for the effectiveness of the U.S. foreign policy that *the Foreign Service of the United States should be as representative as possible and should include officers from minority backgrounds*. We therefore endorse, at least as an interim measure, the recently instituted State Department program under which individuals from minority groups are appointed as Junior Foreign Service Reserve Officers.

3. The Committee also recommends the *immediate institution of a single system for security clearances among the three agencies*. The present procedure, by which each agency conducts its own security investigation and does not accept the clearance of one of the other agencies, seems extremely wasteful and inefficient.

4. The Committee understands that there currently exists no systematic way by which the Foreign Service evaluates the examination and selection procedures against the actual performance of officers in the Service. We recommend that some means be found by which this can be done on a continuous basis.

II. Selection of Officers for the Foreign Service of the United States.

General

The Committee has acted on the assumption that the foreign affairs agencies are in fact interested in recruiting and selecting the same type of candidate for their junior officer programs and on the belief that there would be distinct advantages in having all officers who will be part of one service, or at least of one foreign affairs community, selected on the same basis.

Recommendations:

1. *That a written and oral examination, similar to the present FSO examination, be used to establish a single roster of qualified candidates for foreign affairs careers*. All foreign affairs agencies will have equal access to this roster and will use it to staff their junior officer programs. This examination will be known as the Foreign Affairs Career Examination.

Factors which should be taken into consideration in devising such an examination would include the following:

a. Enlarging the pool of candidates from which officers are to be chosen to include as wide a variety of educational, social, ethnic, and cultural backgrounds as possible. One suggestion is to increase the number of individuals who "pass" the written examination.

b. Providing some means by which *positive recognition can be given to experience or training relevant to careers in the foreign affairs field*. This might include overseas experience with the Peace Corps, with private business or voluntary agencies or, for the purposes of USIA, experience in the communications field.

The system in effect some years ago of giving extra points in the written examination for linguistic competence might serve as a pattern for this purpose.

Positive recognition for skills and experience needed in foreign affairs would also provide the foreign affairs agencies in the 1970's with the flexibility to choose individuals most likely to make a contribution to the Foreign Service of the United States.

c. Scheduling the *examinations at regular and shorter intervals* to be more nearly competitive with other government agencies and private employers looking for similar qualifications.

d. Ensuring that the written examination is as relevant as possible to the needs of the agencies and does not contain unintentional cultural biases which may have the effect of excluding qualified candidates.

e. Enlarging the oral examination panels to include representatives from AID as well as State and USIA.

III. Evaluation, Promotion and Separation

Objectives:

The success of the system for the evaluation, promotion and separation (other than for cause) of officers in the Foreign Service should be measured against its objectives, which, in our view, should be:

1. To contribute overtime to the development of a foreign affairs service with a rank structure and balance among specializations that closely match the needs of the Service.

2. To provide a combination of recognition of exceptional merit and security against arbitrary judgments that is attractive to high-quality candidates for the Service and contributes to a suitable career climate for talented and experienced people now in the Service.

3. To assist in the identification, encouragement, development and efficient utilization of officers of exceptional abilities, and particularly of those who will provide the leadership of the Service.

4. To identify, through acceptable, fair and objective means, those officers whose separation is in the interests of the Service; and,

5. To supplement, through frank and constructive evaluation of performance and potential, other means by which supervisors may help officers develop and utilize their qualifications to the fullest possible extent.

Problems, Issues and Recommendations

To a large extent we believe the system accomplishes its objectives. Approval of the system within the Foreign Service is neither complete nor universal, however, and some dissatisfaction reflects genuine shortcomings of the system and its operation.

1. Relationship to Other Personnel Policies

The rank-in-man concept (as contrasted to the Civil Service rank-in-job) is an essential element of the Foreign Service personnel system and gives it a flexibility without which mobility would be severely hampered. Nevertheless, the promotion and separation system must be compatible with the job structure and with policies for recruitment, lateral entry, and retirement.

It does not appear that these interrelationships have been adequately taken into account. Evidence of past disequilibrium includes the sharp decline in the number of promotions this year compared to

recent years, the widespread belief that there are more officers than positions at higher levels, and the increased emphasis on separations through selection-out and maximum-time-in-grade procedures. The decline in promotions and the increased number of separations were probably necessary to restore a balance, but they reflect a defect in the operation of the personnel system over the past few years.

We believe it should be possible to design a computer model of the personnel structure, needs and availabilities of State, USIA, and AID that would make evident the relationship between entries, promotions, separations, and development of specializations. Where such conflicts threaten to become acute at some period in the future, corrective adjustments could be made.

Although the problem of compatibility between various elements of personnel policy may be less for AID because of the flexibility it derives from greater reliance on noncareer personnel, we believe a personnel system model should be developed for AID—at least for its career personnel—as well as for USIA and State.

2. Competition in the Foreign Service

Related to rank-in-man is the high measure of interpersonal competitiveness that is a characteristic feature of the Foreign Service. This competitiveness is a strength. It aids in the identification of those officers with the talent and the drive to reach the highest levels of the service. It gives them the stimulus and the opportunity to rise rapidly, gain experience at the rate at which they can absorb it, and provide a maximum period of service at senior levels before retirement. Competition is thus a mechanism for the efficient use of the talent in the service.

We have considered, but do not recommend, drastic changes to reduce sharply the competitive nature of the service. It has been suggested that, since the great majority of officers are performing adequately, promotions should be more-or-less automatic in most cases according to a set schedule of advancement. More rapid promotions and less rapid promotions (or separation) would be reserved for those officers who differ greatly from the median in performance and potential.

We believe such a system would sacrifice more than it would gain the service.

Nevertheless, we feel that the criticisms of the competitive nature of the service cannot be dismissed without a hearing. Many good and experienced officers do not work to maximum effectiveness in such an environment. The system may, in some cases, tend to focus attention more on the success of the individual than on the accomplishment of the functions of the service, and to some extent these two factors may be in conflict.

We believe these arguments should be met in part in two ways:

a. The practice of setting a *meaningful minimum time in grade* for consideration by the selection boards should be continued and extended.

b. If and as there is movement toward a single Foreign Service of the United States, with parallel but distinct career ladders, it should be recognized that the *highly competitive element of the present Foreign Service Officer promotion system should not necessarily be duplicated in other parts of the service.*

We doubt that it would be desirable or feasible, for instance, to apply the present system to technical specialists whose specialized experience should not be lost through application of maximum time in grade but is not in most circumstances preparation for the highest levels of the service.

3. Evaluation and the Supervisory Relationship

Evaluation of an officer's work and potential by his supervisor serves two communications functions: between the supervisor and the selection board, and between the supervisor and the rated officer.

There is some tendency to think that these two functions are in conflict, the feeling that a report designed to transmit a maximum of frank information to the selection board would have a negative effect on the relationship between the supervisor and the subordinate.

To some extent this conflict exists, but we do not accept that it is a dominant factor. Rather, we believe that more effective communications can and should be established in both channels simultaneously.

We suggest that *State, AID and USIA should consider means of strengthening post review of evaluation reports, perhaps through panels consisting of officers from all three agencies.*

We believe the evaluation report should be used to encourage initiative, to develop potential, and to build a solid foundation for high levels of morale.

The development of the supervisor-subordinate relationship has been left largely to chance and the innate skills of the people involved. The FSI courses in executive management have been a

positive contribution, but another promising approach, *the ad hoc intensive seminars in team development, should be reinstated.*

Whether the specific, limited means of improving the relationship in the past have been well directed, we believe the subject is sufficiently important to warrant intensive consideration. We have two specific recommendations.

a. The agencies should institute a *program of training in means of achieving confidence and cooperation in supervisor-subordinate relationships. As part of this program, supervisors should be instructed in the use of the annual evaluation report within a continuing program to assist the development of subordinates' potential.* Instruction would include techniques for writing more accurate, relevant, and *concise* evaluations with the objective of minimizing the disadvantage an officer may face because of a tour under a supervisor not skilled in the use of the evaluation to communicate with selection boards. The training should be directed toward supervisors in their capacity as reviewing, as well as rating, officers.

b. Development of a good supervisory relationship is a matter for everyday attention, and the training program should make this clear. In addition, however, *the agencies should encourage supervisors to undertake quarterly sessions with their subordinates to discuss performance and the development of potential in greater depth than is possible on a daily basis.* The agencies should suggest a schedule which, if followed at the highest levels of the Foreign Service, would also be followed down through the chain of command.

4. Inspectors and End-Users Reports

Selection Boards have frequently commented that Inspectors' Reports are exceptionally valuable sources of data on individual officers, having the virtue of objectivity and a broader view of an officer in relationship to others in his class. This was especially true of older Inspectors' Reports. More recently these Reports have tended to be more superficial in tone, perhaps due to the limitations on time imposed on each individual Inspector. *We believe the Service should consider permitting Inspection Teams to remain longer at posts and that the Inspectors' Reports should once again be detailed, in-depth analysis of the individual officers.* It is naturally assumed that the Inspectors will be men of exceptional quality and experience. *We believe AID should consider instituting a similar system at the earliest possible date.*

The present utilization of end-user reports by selection boards, on the other hand, is too haphazard to be considered either effective or objective. Some end-user reports find their way into performance files of individual officers (and thereby come to the attention of selection boards), while other end-user reports do not.

a. We recommend continuance of end-user reports as a guide to officers in the field, and to their supervisors, as to end-user reaction to submitted work. *These end-user reports should not be included in performance files. However, references to end-user reaction could, quite properly, be included in the annual efficiency report.*

5. Evaluation Outside the Foreign Service Structure

Officers serving outside the usual Foreign Service structure—in extended training, other agencies, international organizations, etc.—are frequently marked substantially higher or lower than those evaluated less completely in a normal assignment. As a result, selection boards are not provided with a proper basis for making comparative evaluations.

Procedures should be developed to provide equitable evaluation of the performance of officers—whether from State, USIA or AID—who are given such assignments. We suggest:

a. Expansion of O/FI to ensure that an *Inspector's Report is prepared on all officers serving in such assignments for more than six months.* This would provide selection boards with balanced reports on which more objective rankings could be made than at present.

b. *Preparation of an Evaluation Handbook for the use of non-Foreign Service supervisors of Foreign Service personnel.* The handbook would go into greater detail on performance evaluation than would normally be necessary for Foreign Service supervisors. (We understand O/PE has taken some steps in this direction.)

c. *Investigation into the possibility of establishing arrangements with other agencies and international organizations to permit access by inspectors and to encourage more satisfactory evaluations by non-Foreign Service supervisors.* The "bait" here, of course, would be the possibility that more (and better) Foreign Service officers would be assigned to positions in the interests of the organization concerned.

6. Separation Procedures

The broad policies by which some officers are selected out or separated by reason of the maximum-time-in-grade requirement are, we believe, an essential part of the Foreign Service personnel system.

We have some doubts about the way in which they are implemented. It would seem to be impossible to determine the extent to which they are needed to maintain the advantages of the competitive system, or to determine the best balance between them, without the kind of over-all look at the personnel structure and policies suggested in section 1.

Within the bounds of such an over-all look, we hope it would be possible to concentrate the effect of the two systems still further on newcomers to the Foreign Service, who are both less experienced in Foreign Service functions and more likely to adapt themselves to other vocational opportunities, and less on more senior officers in whom the Foreign Service has invested a great deal and from whose experience it can expect to gain much.

Our doubts do not extend to the fairness with which the system as it now stands is being administered. Our consideration of the various review procedures at work—at the post, in Washington, by the selection board, and by the Administration subsequent to selection board action—has convinced us that gross inequity is highly unlikely. We do not, therefore, consider that an appeals arrangement is called for.

Equitable or not, however, the system works both psychological and financial hardship on those who are separated from the service. We believe such hardship would be mitigated if it were better understood that an officer may be separated even though he has served long, faithfully, and well, because of the intense competition among high-caliber people to which he has been subjected.

We have not examined the retirement policy and possibilities in depth in this connection but suggest that *more satisfactory retirement arrangements for middle-grade officers separated from the service voluntarily or involuntarily—perhaps analogous to the military retirement system—might be in order.* We therefore recommend that a study be undertaken to consider in depth the financial implications of such a change and how the revised system would intermesh with other elements of personnel policy (recruitment, promotion, etc.)

As the system is to remain as highly competitive as possible and offer the prospect of shortened careers, it becomes mandatory that the Department improve its outplacement facilities. *One possibility which the Committee has examined and recommends is the use of contract agencies which specialize in the placement of executive and professional employees.* We believe a private institution with lengthy experience in this field could provide a far better service to retiring officers than the Department is presently capable of.

We believe selection boards should be asked to identify the factors that led them to put an officer in the low 10% category. Letters to officers in this category should be more than a form letter. The letter should give him some idea of where he has been found wanting so that he may make an effort to correct the problem.

7. Awareness of the System

All Foreign Service Officers are actually or potentially supervisors, subordinates, and selection-board members. For the evaluation, promotion, and separation system to work toward the objectives set for it, it must be generally understood and accepted. It is not our impression that this is presently the case. We do not believe that all members of the service have a clear understanding of how these important personnel operations are carried out.

In too many instances information on the system and its operations is accessible only in a form that is so detailed or so carefully worded as to make understanding impossible without deep study. *We propose that a brief layman's version of the system be made available to all officers on entry and periodically thereafter as changes are made, and that the key elements of selection board precepts and rating officers' guides be highlighted to all officers as changes are made.*

In addition, we suggest that AFSA be consulted as a regular practice before publication of the precepts and other documents affecting the fundamental elements of the Foreign Service promotion system.

IV. Assignment and Career Development

The subcommittee looked at the assignment and career development procedures of State, AID and USIA. The remarks which follow are primarily based on the procedures followed by the Department of State. USIA follows a system similar in its broad outlines, but different in important details. AID's process of assignment is more transactional and less systematized. Even as the three agencies work toward coordinating their career services within the Foreign Service of the United States, important differences will probably remain in the assignment and career development functions.

Background:

The Foreign Service Officer should be a flexible officer capable of

assuming a wide variety of responsible duties. With this in mind the subcommittee examined the assignment process and the career development concept in an attempt to offer some ideas we hope will increase the likelihood that the kind of officer the Service needs is developed. No candidate, however, should be commissioned without an understanding of and basic willingness to accept the concept of "The needs of the Service." This is one of the important elements of public service, and anyone entering public service should be willing to accept this. However, this rational should not be allowed to cover up bureaucratic inefficiencies in personnel management or institutional inflexibilities in dealing with human problems.

Under the present assignment and career development procedures, some of which are still in the process of implementation, each officer upon reaching the middle-grade level (FSO-6 in most cases, FSO-7 for those officers whose progress has been slower than average) will be given individual counseling by the Officer Assignments and Career Management Division of Personnel (PER/CMA). At this point an employee career record is developed providing an inventory of the officer's experience, skills, and interests. From this inventory is developed an Experience Program which serves as the basis for both work assignments and training. It should be noted that both of these documents incorporate the officer's career preferences as of the date they are drawn up.

As the assignment system now operates, PER/CMA has considerable authority over the assignment process. The previous system under which a number of officers were "up for grabs" by a panel composed of officers representing all areas of the Department has been abandoned. Instead, PER/CMA, using several criteria including the officers' Experience Program as a basis, provides lists of names to each geographic and functional bureau to fill a specific range of jobs. While the bureaus retain the authority to assign the officers allotted them as they wish the jobs available for a given slate of officers are, according to PER/CMA, normally appropriate to the Experience Programs of the officers concerned. Upon completion of an assignment control of the officer's assignments returns to PER/CMA. In this way, while PER/CMA is not able to arrange a specific job for an individual officer, as this is the prerogative of the bureau concerned (although subject to influence by PER/CMA), it can keep an officer's assignments generally within the parameters of the Experience Program and avoid the possibility of an officer becoming sidetracked because of the accident of a single assignment.

Admittedly, this system is not perfect from the individual officer's point of view since, at the given time when he comes up for assignment, the ideal position in terms of his Experience Program may not be open, or there may be someone else competing for a desired position with stronger qualifications. However, according to a senior officer of PER/CMA, their record in this regard has been very good, with assignments, during one period studied, running 78% in broad accordance (*i.e.* with either the functional or geographic preference of the officer being met) with the Experience Program of the officer concerned.

With regard to the ability of an officer to appeal a given assignment, PER/CMA urges officers to visit them for counseling in Washington, or to write them if the officer is in the field, whenever a problem occurs regarding an assignment. While a question has been raised as to whether an officer can receive as sympathetic a hearing from PER/CMA as he would from an Assignment Review Panel made up of officers who were not directly involved in the assignment process and were not burdened by the necessity to fill less desirable jobs, it appears that a channel is open to officers to appeal assignments, and one which is not used as frequently as it might be either because officers are unaware that it exists or because of the fear that apparent complaints on their part will stigmatize them in the future. It is obvious that the desires of officers cannot always be satisfied in a service where there are more top people than top jobs but where all jobs must be filled by the existing pool of officers. However, an officer should be guaranteed a sympathetic hearing when he feels an assignment is inappropriate or imposes undue hardship.

Rotational programs have given newly recruited junior Foreign Service Officers an opportunity to gain working experience in several different aspects of the Foreign Service. The caliber of junior officers entering the Foreign Service, it should be noted, is of a very high level in terms of education and achievement. Their ambitions are equally high, and their patience perhaps somewhat lower. As a rule of thumb, an FSO entering the Foreign Service should be expected to serve no more than two of his first six years in consular work unless he particularly requests it. Furthermore, programs should not depend

on the criterion of a single post or supervisory officer, but should be monitored by the J.O. program to ensure a varied and cogent contribution to the officer's development. Service "discipline" and "humility" need not be artificially invoked or cited as a rationale for otherwise overlong, understimulating periods in the less challenging jobs. The necessity and occasion for discipline and humility are found in abundance at all levels of a Foreign Service career, and are an especially noticeable part of a junior officer's daily life.

Recommendations:

The subcommittee has the following recommendations:

1. *The newly adopted personnel system is well suited to achieve a balance between the needs of the service and the individual officer. We strongly recommend that it be continued and strengthened.* However, no system can be good unless it is allowed to operate in a consistent and understandable fashion. The Department should declare a moratorium on the constant tinkering, change, and manipulation of the personnel function.

2. The Department should circulate to all of its employees a lucid description of the present assignment procedures with some guarantee that there will be a degree of permanence to the system. Frequent organization and reorganizations of basic personnel procedures in a busy and far-flung Service can only cause confusion and despair.

3. In order to assure the individual Foreign Service Officer the opportunity and channel to appeal an assignment, *we recommend the establishment of an ombudsman in the office of the Secretary.* The ombudsman must necessarily be sufficiently powerful to review and, if justified, recommend changing an assignment without detriment to the individual officer's reputation and career. The necessity for such a proposal is based on the realization that an individual is required to invest three to five years of his life and career in most assignments.

Circumstances may require a review of the proposed assignment, and this must be available without prejudice to the officer's reputation. The review should be considered by someone other than the officer (or officers) who made the assignment decision. It is not proposed that changes would be requested or made lightheartedly, although an experienced ombudsman would no doubt have soon heard all the excuses and be well able to distinguish compelling necessity from routine inconvenience and disappointment. The immediate "needs of the Service" must be weighed against important individual considerations and long-term development requirements of the officer corps. At present this balancing process is not institutionalized and occasionally an officer can become subject to the present needs of the system while his own needs are unnecessarily neglected. We strongly recommend this separate and independent appeal entity since, no matter how sincere and capable an assignment officer may be, he should not be required to review his own decisions.

4. The development of a Foreign Service Officer requires the efficient use of his talents and time in challenging and responsible jobs. Many positions in the Foreign Service are best filled with skilled technicians, who should be specifically recruited to perform the particular kind of work required. This subcommittee recommends the following steps:

a. As a part of the job inventory a review of the nature of the jobs currently done by Foreign Service Officers should be undertaken; those positions which could best be done by career recruited technicians or specialists should be so designated, even though FSO's might be assigned to such positions from time to time.

b. A career program using the Foreign Service Staff Officers Corps and the Foreign Service Staff to fill jobs which can be done best by a specialist whose desire it is to follow a career of such activity should be encouraged.

Annex A (4)

REPORT OF THE SUBCOMMITTEE ON TRAINING

General Statement of Findings

The training of career foreign affairs personnel is inadequate. Continuing rapid change in political, social, and economic forces both at home and abroad, not to mention scientific and technological innovation, requires frequent up-dating and renewal of the knowledge and conceptual awareness of foreign affairs personnel. However, the Department and other agencies have so far been unable or unwilling to devote the necessary personnel and fiscal resources to this essential function in support of the conduct of our foreign affairs.

In the absence of commonly accepted standards of in-service training, the Committee recommends flexible guidelines which reflect the needs of the foreign affairs field. The Herter Committee, while noting that military officers spend about twelve percent of their time in training, recommended that Foreign Service Officers should spend ten percent of their career in non-language professional training. At that time, 1962, the Foreign Service level was about five percent. In FY 1968, the picture was little improved. According to data prepared in the Department, about six percent of the FSO Corps (209 of 3,500) was totally engaged in long-term training *including* language training (but only 2.6 percent in *non-language*, long-term training). The Department's proposals for expanded training in FY 1969 would still fall far short if fully implemented. About eight percent of FSO's (299 of 3,500) would be totally engaged during the year in long-term training, of which almost half would be language. The Committee has found no evidence to indicate that the other principal foreign affairs agencies, AID and USIA, contemplate even these levels of training.

Distant as the Herter goal may seem, the Committee believes that it remains a rational recommendation. In terms of a 30-year career, it means that an officer would spend approximately three years in long-term professional training exclusive of language and miscellaneous part- or full-time short courses. (See Recommendation 1.) It also means that ten percent of the officer personnel of foreign affairs agencies must be available for long-term training on a continuing basis. More training positions and a larger budget are essential. The Committee strongly urges that the proposed expanded program for

FY 1969 mark a beginning step towards a sound foreign affairs training program and not just a stopgap associated with the BALPA exercise.

A foreign affairs training program should have three principal objectives:

1. *The enhancement of the professional qualifications, and hence the professional standards and standing, of foreign affairs personnel.* This is a goal of the utmost importance. It includes the improvement of communications with institutions of higher learning and other groups which take special interest in foreign relations and public affairs.

2. *The development of executive and managerial talent among foreign affairs personnel.* This is essential to fulfillment of the program direction function. Many presently regard it as the most urgent training objective.

3. *The development and maintenance of the functional and linguistic proficiency of foreign affairs personnel.*

The most urgent needs lie in the area of long-term, non-language training for mid-career and early-senior-level personnel. The principal foreign affairs agencies must make more extensive use of graduate programs offered by our leading universities. It is essential that foreign affairs personnel receive the intellectual stimulation and rejuvenation of an academic year at least once every ten years. For some it is primarily important to re-establish contact with the academic world. Others should seek exposure to the latest thinking in the executive management field with its various interdisciplinary approaches to the development of leadership in combination with advanced substantive study. Just as the Foreign Service has learned to recruit from the diverse offerings of American society, it is essential that foreign affairs agencies continue to cultivate diversity in the subsequent training of their personnel.

Finally, it is imperative that training receive the unqualified support of the leadership of the Department and other foreign affairs agencies. There can be no hope of overcoming the widespread aversion to training in the Foreign Service until there is an adequate training program fully supported and endorsed by the top leadership.

Recommendations

1. Foreign affairs personnel should spend approximately ten percent of their career in long-term training other than language training.¹ For the average officer this would be between two and three years out of a career of 25-30 years. While maximum flexibility should be the rule, the training would generally take place as follows:

FSO/R 7-5 (2 to 6 years' experience)—One academic year of area or functional training.

FSO/R 5-3 (10 to 15 years' experience)—Academic year or equivalent combination in interdisciplinary studies including, as desired or recommended, management training for entry into program direction.

FSO/R 3-2 (15 to 20 years' experience)—Advanced management and interdisciplinary studies for senior program management positions.

FSO/R 2-1 (15 to 25 years' experience)—Advanced interdisciplinary refresher or senior studies, as appropriate.

2. Long-term training should become a virtual prerequisite for promotion in the middle and upper grades of the career service. The highest caliber personnel should normally spend more time in long-term training than the less qualified in order to develop their capacities to the maximum. This can only come about if those at the highest level are convinced of the value of training and act on this conviction.

3. An extensive program of long-term *mid-career* training is required if the foreign affairs community is to produce more highly qualified career officers to fill the program-direction/executive positions in the foreign affairs agencies. Graduate level programs, including electives to meet individual requirements, should form the basis of this training. The ideal age for training to assure the development of organizational leadership is between 34 and 40 after ten to fifteen years of practical experience and specialization. The goal is to give the successful specialist the opportunity to become an effective executive as well as to upgrade his specialization.

Such long-term training should take place in non-governmental institutions and, if possible, among members of various professions.

4. Foreign affairs personnel should be encouraged, on a selective basis and provided they have a long-term commitment to government service, to pursue graduate level education on a full-time basis up to

¹Long-term training—more than three months.

the Ph.D. The program of the US Air Force provides a useful model.

5. Officers with the competence and desire to pursue research in their speciality and of import to the US Government should be encouraged to spend an academic year or more at a university or independent research organization.

6. There should be an increase in interagency assignments for their training value as well as to improve interagency understanding. While such assignments should normally be among the agencies with a foreign affairs responsibility, they need not be restricted to them.

7. A program for the participation of foreign affairs personnel at all levels, as interested individuals not as government spokesmen, in university and other privately sponsored conferences and symposiums should be initiated on a systematic basis as a means of increasing professional knowledge and establishing wider contact with the academic community.

8. State, USIA, and AID should prepare a long-range consolidated (or coordinated) training program which reflects the future personnel needs of the foreign affairs community.

9. The joint training of the personnel of State, USIA, AID, Defense, and other foreign affairs agencies should be expanded wherever possible. The contribution this training makes to the elimination of parochialism far outweighs the drawbacks of adjusting course content and teaching to a more diverse audience.

10. The size and growing complexity of our society require that more exposure be given to career foreign affairs personnel in American studies, particularly officers of USIA. A short-term course at FSI should be introduced for most others.

11. The proposals for increasing the openness of the foreign services should be examined for their training potential. The Congressional intern program and the proposal for the assignment of FSO's to the staffs of governors are particularly worthwhile.

12. The Foreign Service Institute should continue to investigate new concepts for foreign affairs training, such as game theory and programmed language training, and where feasible adopt them. Adequate provisions for language training for wives should be found.

13. A systematic training program for FSSO's and consular and administrative specialists should be established and should include periodic offerings on contemporary America.

14. A training program for foreign employees of the foreign affairs agencies abroad and in the US should be increased as part of the comprehensive training program.

Annex A (5)

REPORT OF THE SUBCOMMITTEE ON OPENNESS OF THE SERVICE

Conclusions and Recommendations—Part I

In the 1960's significant steps have been taken toward opening up the foreign affairs community, and today a wide variety of opportunities exists for the members of the foreign service to enrich themselves and become better attuned to American society. But despite these changes in career patterns and attitudes over the past decade, the foreign service remains far too insular. The Subcommittee has concluded that the foreign affairs community must, without sacrificing professionalism, not only make far better use of programs already existing to promote openness, but must devise new programs and, particularly, new attitudes towards openness within the various services if it is to be equipped to cope with the management of the foreign affairs of the United States in the 1970's. In particular, we have concluded that career diversity within the foreign service must be better rewarded, that the principal foreign affairs agencies (State, USIA, AID) must work closely together, that members of the foreign service community must become far better acquainted with American society and its principal institutions and that the service must better reflect the diversity of our society.

The key recommendations that the Subcommittee has made are:

1. *The personnel structure needs revision to reward openness.* Beginning at the FSO-3 level three parallel corps of officers (FSO, FSIO and, eventually, the FSDO—career AID officers) should compete for an FSE (Foreign Service Executive) cone of the service.

Selection into this cone would be made by a special panel which would look for indications of insularity. Career diversity, intellectual achievement, and executive skills would be basic criteria for selection into the elite cone. A limited number of FSR's could also compete for the FSE status.

2. *Recruitment for junior ranks* should be strengthened through the de-emphasis of the written examination, broader use of special recruitment programs among minority groups, and closer attention to the identification of candidates through university contacts and intern programs.

3. *Improved communications within the foreign affairs community* should be achieved through broader use of the IRG principle at all levels, through more use of details to other principal agencies, and through the eventual merging of State, USIA, and AID geographic desks and offices.

4. *Improved relations with the academic, business and media communities* should be achieved through the institution of a new "liaison officer" system in which officers while in Washington would serve as the Department's principal liaison with a specific university, business, or newspaper. Also a Deputy Assistant Secretary for College Relations should be set up under O or CU to coordinate and strengthen university ties.

5. *Improve relations with Congress* through establishment of the "liaison" principle between individual Congressmen and members of foreign service, through the establishment of a more active AFSA

committee for Congressional relations, and through more extensive use of Congressional internships.

6. *AFSA should make a more detailed study* of some of the Department's principal programs designed to promote openness (particularly, details to other agencies, Diplomat-in-Residence, Consultants, Policy Planning) to determine how many officers now in the senior grades of the Department have taken advantage of these programs and how they have in fact affected assignments and promotions to the senior ranks.

7. *Training should be considerably expanded* with the view to making training a principal vehicle for combating insularity in the service. In particular, greater emphasis should be made in training on American domestic affairs and on new advances in science and technology; officers should be given greater encouragement to pursue advanced degrees.

8. *Much greater stress should be placed on assuring that during assignment to the United States* the foreign service officer receives maximum exposure to the many and varied aspects of American society and to the changing world of ideas.

Openness Defined—Part II

Specialization of the work of the modern professional man increases the danger of the fragmentation of his outlook precisely at a time when the increasing interdependence of groups, organizations, and whole nations is constantly being demonstrated. Thus all professions are faced with the problem of how their members are to employ their special skills and experience within the context of society as a whole rather than a narrow fragment of it. The foreign affairs profession is no exception to this need for wide, clean windows open to the country that it serves and to the world in which it operates.

The goal of the foreign service should be to assure a foreign affairs community open to ideas generated from within and without, alert to new trends and developments at home as well as abroad, and enriched by experience gained by its members from serving on the outside and by those from the outside serving on the inside.

Three fronts can be identified where parochialism endangers this desired openness:

First, there is the relationship of the foreign affairs establishment as a whole to the country's centers of power and influence: the worlds of politics, particularly the Congress; education and intellectual endeavor; industry and business; and communications media.

Secondly, there is the relationship of individual members of the foreign affairs community to the mainstream of American life, including an appreciation of both the nation's socio-economic shortcomings and its technological, industrial, and cultural achievements. Many officers who by the nature of their profession must spend a greater part of their career outside the country can be innocent victims of insularity in the absence of countervailing programs.

Thirdly, there is the relationship of the component parts of the foreign affairs establishment to each other—State Department, AID, USIA, CIA and other agencies with interests abroad such as DOD, Commerce, NSA, etc. Nor does the threat of inhibiting compartmentalism stop with the agencies themselves since, within them, bureau and even office specialization can exert a blinker-like influence on individual members.

The purpose of this paper is to devise some new strategy and tactics to promote more openness on all three fronts. We have to that end made an inventory of some of the principal programs already available and provided some preliminary evaluation (*Part III—Inventory of Principal Programs Contributing to Openness*) and then suggested some new programs which are designed to promote greater openness (*Part IV—Suggestions For New Programs*).

Inventory of Programs Which Contribute to Openness—Part III

There is in the Department of State an impressive array of programs which, while not specifically designed to combat insularity, in fact do so in part as a secondary benefit. The programs listed in this inventory are by no means the only ones which contribute to openness or which seek to overcome insularity. Rather, they have been adjudged to be key programs which have as major objectives the combating of insularity and the fostering of openness in the Foreign Service.

The Subcommittee was not equipped to examine the operational weaknesses and strengths of these programs nor to perform an

adequate evaluation of them. We do feel, however, that the Association and/or the Department should make a more comprehensive study of the effectiveness of the programs we have listed below with the particular objective of determining how many of the officers in the senior grades of the Department have taken advantage of the programs and how it has in fact affected assignment and promotion to senior ranks. Are "open" officers successful?

The inventory follows:

1. DETAILS TO OTHER AGENCIES

a. *Objective*: To give officers an opportunity to deal with increasingly complex and technical problems which impinge on foreign relations and help shape our foreign policy responses; to increase the Department's capability for interagency leadership and coordination; to broaden the experience of Foreign Service Officers and to share with other agencies certain expertise from within the Foreign Service.

b. *Nature of Program*: Foreign Service Officers have been participating in reimbursable and non-reimbursable details to other agencies since 1949. In December 1967 there were 380 Foreign Service employees serving in some 20 U.S. Government agencies and five international organizations. On February 15, 1968, the Department entered into an agreement with the Office of Economic Opportunity to provide up to 20 reimbursable details to that Agency.

Following is a list of agencies to which Foreign Service employees were detailed as of December 1967: AID, 159; ACDA, 34; USIA, 28; Commerce, 31; DOD, 54; Peace Corps, 13; White House, 13; SEATO, 6; NSC, 5; Labor, 4; Transportation, 3; Treasury, 3; NASA, 3; BOB, 2; AEC, 2; Agriculture, 1; CIA, 1; HEW, 3; Interior, 1; NSF, 1; Commission on Western Hemisphere Immigration, 1; 12 officers are in various agencies under PL 85-795.

c. *Personnel Affected*: In the main, details to other agencies are filled by FSO's at the mid-career and senior levels.

d. *Evaluation*: An indication of the success of this program is inherent in the DG's 1968 recommendation to expand it. On the whole, it would appear that details constitute one of the most valuable means of getting and sharing experiences outside of the Foreign Service. Efforts are underway to open up details in still other Government agencies—including the DC Government—and, where possible and appropriate, to increase the number of officers in agencies with which we now have agreements.

The danger of this program, however, is the inevitable tendency of the personnel system to assign to other agencies personnel who cannot be placed within the Department of State, who are themselves looking for alternative careers, or who are facing selection out. A careful study needs to be made of the details to other agencies to determine how effective the personnel system has been in selecting the "successful" officers for such assignments and to determine whether assignments out of the agency might have a detrimental effect on promotion rates.

2. TRAINING PROGRAM

a. *Objective*: To train employees in special knowledge and skills through planned courses of study; to broaden their backgrounds; and to deepen their understanding of domestic problems. The training programs listed here are those which tend to give officers the greatest exposure outside of the State Department. This is not a complete listing of all training programs.

b. *Nature of Program (including personnel affected)*: Training programs for Foreign Service officers may be regarded as career or vocational:

(1) *Senior Career Training*:

(a) Senior Fellow Program (described separately)

(b) Senior Seminar on Foreign Policy (academic year at FSI): Approximately twelve or thirteen selected FSO-1 and 0-2 officers are assigned annually to the Senior Seminar. Much of their study in recent years has been directed toward an examination of the U.S. domestic scene and its effect on U.S. foreign policy.

(c) War Colleges (academic year): Approximately ten FSO-3's to National War College and two or three to Army, Navy, and Air War Colleges. Study concentrates on international affairs and politico-military problems. Provides valuable exchanges between senior foreign service and military personnel.

(d) Fellowships: Selected fellowships for advanced studies at universities are available to outstanding officers who wish to do independent research on topics of interest to the government and/or are tailored to the officers' career development needs. Some of the fellowships are used for training for senior responsibilities (Bowie Seminar at Harvard and the Woodrow Wilson School at Princeton); others are directed at the mid-career levels (Fletcher School of Law and Diplomacy, Career Education Awards of the NIPA, and the

Alfred P. Sloan Fellowship at MIT). Some institutions, such as Brookings, can be used for either senior or upper mid-career officers. In the past between one and three fellowships have been awarded annually. Seven have been proposed in FY 69.

(2) *Mid-Career Specialized/Functional Training (excluding language and area)*:

(a) Administrative and Management Training (4 months to 1 year, university graduate level): One position was filled in FY 67; three officers started in FY 68; and nine positions are proposed for FY 69.

(b) Armed Forces Staff College (5 months): Two positions were filled in FY 67; four officers started training in FY 68; and twelve positions are proposed for FY 69.

(c) Economic/Commercial Training (university level): 128 officers trained between FY 61 and FY 68; twelve positions proposed for FY 69.

(d) Labor Training (10 months, university and OJT in Labor and State, including contacts with HEW, NLRB, AID, USIA, and labor management organizations); five officers trained in FY 67; four started training in FY 68; and six positions are proposed in FY 69.

(e) Systems Analysis Training (university academic year): three officers trained in FY 67; three in FY 68; and three training slots proposed for FY 69.

(f) Petroleum Training (4½ months): None trained in FY 67 or 68; three positions proposed for FY 69.

(g) Science Training (academic semester university): None trained in FY 67 or 68; two positions proposed for FY 69.

(h) Advanced University Area Training (academic year): fifteen officers trained in FY 67; eighteen started training in FY 68; thirty-nine positions recommended for FY 69.

(i) Congressional Internship (one year): Officers are assigned to Congress to get first-hand working knowledge of legislative branch. They are nominated by the Department and chosen by the Civil Service Commission and the American Political Science Association in competition with nominees of other government agencies. Two positions filled in FY 67; one in FY 68; and two are proposed for FY 69.

(j) Short-term seminars (1 to 4 weeks) are offered to mid-career to senior officers in economics, management, communism, computers, and other subjects.

c. *Evaluation*: In 1962 the Herter Committee Report recommended that, excluding language training, Foreign Service Officers should devote about ten percent of their career to professional training. This goal has never been achieved. In FY 68 about 4% of the total FSO corps was engaged in long-term training, including language training. If proposed FY 69 training increases are implemented, less than 7% of the total FSO Corps (about 240 out of 3500) would be engaged in long-term training. *The role of "training" needs to be considerably expanded as a means of opening the foreign service, particularly in the area of improving officers' knowledge and appreciation of domestic American problems and of challenges posed by technological and scientific change.*

More importantly, however, academic achievement should be encouraged and rewarded in the foreign service and officers should be encouraged to pursue advanced degrees relevant to careers in the foreign service.

3. SENIOR FELLOW PROGRAM

a. *Objective*: To inform and create an awareness of the Department and the Foreign Service in the minds of carefully selected academic communities; to contribute to the programs of these communities; and to provide training for senior officers in coming to know elements of the American public which are important and pertinent to their further assignments as representatives of the United States abroad.

b. *Nature of Program*: The Senior Fellow Program, often called the Diplomat-in-Residence Program, was inaugurated in September 1964. It assigns senior officers to the faculty of a college or university for an academic year. Fellows are free to evolve the structure of their "sabbatical" so that the experience will reflect his and the university's interests. As a result, Fellows have taken over classes, seminars, colloquia; talked with faculty members; participated in faculty committees; have been regular members of the division or department with which they are affiliated; advised students about FSO examination and about areas of the world with which they are familiar; served as special consultant to senior university officials; conducted research; traveled to the broader community within the state on speaking engagements.

c. *Personnel Affected*: Outstanding senior officers (Class 0-1 and 0-2) are eligible to participate in the Senior Fellow Program. There have been 27 Fellows in 29 colleges and universities in 24 states and

the District of Columbia. There were three in 1964, six in 1965, eleven in 1966, and seven in 1967. Of the 27, seven either had been or were ambassadors; seven had Ph.D. degrees. Sixteen Senior Fellowships were proposed for FY 1969.

d. *Evaluation*: Properly used, this program has great potential for improving the relationship between universities and the foreign service, but it is far too easy to use this program as a means of placing otherwise unplaceable senior officers.

4. PUBLIC AFFAIRS PROGRAMS

a. *Objective*: To explain the purposes, commitments, and objectives of U.S. diplomacy and foreign policy; to encourage full and open discussion of policies and issues—giving Government officials who shape and execute policy the obligation and the opportunity to appear before the public to explain foreign policy and to hear firsthand what the public has to say; to assist the daily press and other media to ascertain and present the facts.

b. *Nature of Program*: Two-way communication between the Department and the public is maintained in a variety of ways:

(1) By filling speaking engagements and conducting major foreign policy conferences in metropolitan centers and meetings on foreign policy in small communities throughout the country.

(2) By providing to mass media information around-the-clock on news developments, arranging press conferences and briefings, and issuing public statements.

(3) By writing and publishing informative, thoughtful pamphlets, leaflets, and periodicals about foreign affairs and the Department's operations.

(4) By encouraging wider and more effective use of radio-TV in offering programs on foreign affairs.

(5) By producing and distributing within the U.S. informational-educational films, audio tapes and film strips about foreign policy and U.S. programs and operation abroad.

(6) By providing prompt, responsive replies to letters from the public.

(7) By publishing the official diplomatic history of the U.S.

c. *Personnel Affected*: By and large most of the public affairs contacts are maintained by P and its officers, including 38 public affairs officers assigned to other bureaus. However, in terms of reaching the public through Department officers and broadening the backgrounds of Foreign Service officers, the Public Affairs Programs provide numerous opportunities for officers to travel to various parts of the country and to speak with a wide variety of groups. In FY 1966, for example, 333 trips were made by Foreign Service Officers (829 speaking engagements) and were funded in full or in part by P. Ninety-six other trips (112 speaking engagements) were funded by private groups.

d. *Evaluation*: The Speakers Program can be a highly effective means of ensuring that foreign service personnel occasionally leave their desks and Washington, D.C., and find out the types of questions that interest regional and functional groups in the U.S. *The chief problem still seems to be that far too small a percentage of the foreign service participates in Speakers Programs. Senior officers must make continuing efforts to ensure their subordinates participate, and greater effort must be made to recognize and reward those officers who do participate.*

5. HOME LEAVE SPEAKERS AND TRAILER PROGRAMS (Community Advisory Services)

a. *Objective*: To improve communication between the Foreign Service and local communities in the United States. To provide Foreign Service Officers and their families with a better geographical knowledge of the United States and a clearer understanding of the thinking of citizens in the various areas; to give the people of the United States at the grass-roots level an opportunity to meet and talk with Foreign Service families.

b. *Nature of Program*: Beginning in late 1963, the Office of Community Advisory Services was given the responsibility for arranging for Foreign Service Officers on home leave to speak before civic groups, colleges, high schools and other organizations in their local areas and to be interviewed by representatives of hometown news media. The program is entirely voluntary, and the participating officer receives neither *per diem* nor travel costs but is not charged with a day of leave on a speaking day.

Beginning in August, 1964, the Department initiated its Trailer Program to provide FSO's an opportunity to travel throughout the United States by car and trailer. Officers travel across the country meeting and visiting with newsmen, farmers, businessmen, and housewives in order to reacquaint themselves with the people and the country they represent.

c. *Personnel Affected*: Every FSO, regardless of rank, is eligible to participate in the Home Leave Speakers Program. Since 1963 approximately 1500 officers have made more than 5000 appearances in all fifty states and Puerto Rico. The Trailer Program is open to Foreign Service Officers who (1) have served two tours overseas, (2) are married, preferably with children, and (3) are Class 6 or above. By last September, 52 families had traveled 260,000 miles covering all of the 48 states of the continental United States.

d. *Evaluation*: The Home Leave Speakers Program has provided since 1963 the first opportunity for participation of really large numbers of foreign service personnel in speaking and community information activities on a wide geographic scale. The response from participants and audiences has been highly favorable. The Trailer Program has provided broadening experiences for several foreign service families, but has not perhaps been as effective as it could become in bringing the foreign service family in touch with large groups of U.S. citizens.

6. CONSULTANTS AND ADVISORY COMMITTEES

a. *Objective*: To provide consultation and advice to the Department on a wide range of foreign policy and operational matters; to bring new and fresh ideas to the Department; to facilitate two-way communication between the Department and various private communities.

b. *Nature of Program*: The non-State Department expertise described in this category may be divided into the following four categories:

(1) Consultants from colleges and universities (135) who serve primarily as advisers to the various geographic and functional Bureaus.

(2) Consultants from the business community (47).

(3) Consultants from other areas, including public members (35); personnel and management (11); medicine (18); special projects (19); international law (16); foreign policy (16); real estate (7); research (15); retired officers (7); selection board members (6); equal employment opportunity (1); others (17). (Data current as of 12/31/67).

(4) Advisory Committees on the Arts; on Regional Fisheries; on International Business Problems; on International Law; on African Affairs; Architectural Advisory Panel; Board of Foreign Scholarships; Government Advisory Committee on International Book Programs and many more.

c. *Evaluation*: The consultants and advisory committees contribute to the openness of the foreign service only in so much as the individual consultants are selected for their diversity of views and only in so much as they receive exposure at many levels in the Department. *There is a compelling urge to select uncontroversial consultants or indeed to select as consultants primarily those who have only recently left the Department or the foreign service. There is also the danger of not permitting the consultant broad enough exposure to middle rank officers who might be much closer to narrow problems and in greater need of fresh ideas. It is difficult to determine how best to improve on this potentially valuable source of openness for the service, but this area in itself would be a valuable one for separate examination. Perhaps each bureau should have a "gadfly" assigned to the Assistant Secretary who would assure good and frequent use of diverse consultants. Perhaps outside panels of private citizens and academicians should be formed to recommend the composition of advisory committees or propose consultants for each bureau.*

7. POLICY PLANNING AND NEW IDEAS

a. *Objective*: To provide the Secretary and Under Secretaries with fresh ideas and perspectives on problems that differ from established policy; to serve as devil's advocate for top level policy makers.

b. *Nature of Program*: The Policy Planning Staff has been primarily responsible to the Secretary for providing policy alternatives and fresh approaches and for stimulating debate among policy formulators. S/P has sought to do this by selecting a staff of good foreign service officers mixed with some scholars or foreign policy experts from outside the Department. In addition, special assistants have been bought in for short tours to advise the Secretary on particular questions. Recently also an "Open Forum Panel" was formed of middle and junior grade Foreign Service Officers that has sought to provide from within the service new ideas and fresh outlooks on old problems. INR has also provided policy formulators alternative views from those presented by the geographic bureaus and has served as an important channel by which the academic world has been able to bring new ideas and fresh approaches into the foreign affairs establishment.

c. *Evaluation*: The real test of openness for the foreign service comes at the policy-making phase when debate is hot and differences are engaged. The tendency of policy formulators from desk officers on up to resent outside advice or resist debate is a natural bureaucratic reaction. The foreign service must, however, play a more active role in devising new ways to keep debate alive and to support the objectives of those parts of the bureaucracy whose primary function is to question established policy.

8. PERSONNEL PROGRAMS

The personnel assignment, recruitment, hiring, and promotion policies obviously have a crucial influence on the openness of the service. We have made some recommendations elsewhere concerning certain aspects of the personnel system that need improvement. Our purpose here is merely to identify how certain aspects of the system relate to the goal of openness.

a. *Lateral Entry*: In each of the past six years, approximately twenty officers have entered the Foreign Service through lateral entry. Most of them (about 90%) were employed previously in the Department. The Board of Examiners (BEX) cites employment freezes on outside hire as the principal reason for this situation. Yet it seems that more extensive use of lateral entry in some categories could substantially contribute to openness in the service.

b. *College Relations*: The College Relations Program staff was responsible for recruiting applicants to take the Foreign Service Officer examination and for maintaining effective relations with academic institutions throughout the country. In 1967 the College Relations Program arranged over 200 recruitment visits to colleges and universities. In October 32 Foreign Service officers (including several Diplomats-in-Residence) visited 140 campuses encouraging students to take the FSO examination. During the year visits were made to ten secondary schools to talk about foreign affairs. The College Relations staff has recently been severely curtailed.

c. *Professional Placement Service*: This office maintains communication with 3,100 business firms with international interests, 2,900 colleges and universities, and various groups and organizations, regarding job opportunities for retiring or resigning Department and Foreign Service personnel.

d. *Recruitment (General)*:

(1) Office of Employment conducts specialized recruitment programs throughout the country to meet the personnel needs of the Department in the Civil Service, Staff Corps, and Reserve Officer categories.

(2) Office of Equal Employment Opportunity supplements all recruitment efforts by focusing its attention on minority group communities throughout the country.

Suggestions for New Programs—Part IV

1. *Personnel system*. Too many officers manage to pursue a narrow career without ever having had significant exposure to experiences outside of their own agency or in some cases even their own bureau. Too many more are reluctant to participate in training, speaking, educational, or other outside activities, particularly during their Washington assignments, that could make them broader, less insular individuals. We, therefore, have several suggested changes in the personnel system that could, if adopted, provide greater incentives to officers to broaden their understanding and appreciation of the foreign affairs establishment and of American society:

(a) The goal of a unified Foreign Service should be achieved by a gradual meshing of the present FSO career corps with the USIA career corps and the eventual AID career corps. Each of the services would be parallel in benefits and structure from FSO-8 (FSIO-8 and FSDO-8) to the FSO-1 level. *At the FSO-3 level officers of all three corps would begin competition to enter the FSE (Foreign Service Executive) cone of the service. Selection into this program management corps would be possible at any stage in an officer's career as he moves up from FSO-3 to the FSO-1 level; however, it would be presumed that most would enter at the 3 or 2 level.*

(b) *Selection into the Executive "cone" of the service from the three services would be made by a panel composed of senior program managers from the foreign affairs establishment and would include a member of the academic community and the business community. Final selection would be accomplished by passing an oral examination administered by the panel. The criteria for selection would include executive skills, intellectual achievement, and breadth of experience in foreign affairs. If an FSO-3 is found to have had too narrow a career, the panel might recommend that, if he should want to enter the FSE corps, he might seek to have a broadening assignment in one of the other federal agencies.*

(c) *A limited number of FSR's could compete for this corps.* The size of the FSE corps would be limited to the requirements of the foreign service for program management jobs, and only FSE's could be promoted to Career Minister or Career Ambassador. Those officers who continue in their specialized careers (FSO, FSIO, FSDO) could reach the top of their specialty but would not be eligible for program management (FSE) assignments.

(d) *Greater stress should be placed on career diversification, intellectual achievements, and efforts at self-broadening in the performance evaluation forms and in the precepts to the selection boards.* The evaluating officer should be required to address himself to the career limitations of the officer and make specific recommendations for broadening assignments. The precepts, particularly for officers desiring to compete for FSE status, should place heavy stress on diversification of experience in an officer's career.

(e) Greater encouragement and career rewards should be given to officers who desire to teach, write, publish, or speak professionally, and attend conferences as active participants.

2. *Selection and Recruiting.* We must be able to enrich the foreign service by recruiting individuals of different racial and ethnic backgrounds and professional interests. We recommend several steps:

(a) AFSA should stand fully behind the efforts of the Equal Employment Opportunity Program and give greater publicity to its task of recruiting more officers from minority groups.

(b) Use should be made of the "liaison officer" program we have recommended below to identify students and professors with varying backgrounds and skills for summer intern jobs or FSR status in the foreign service.

(c) *We should, however, go to the heart of the problem and revise our selection system to de-emphasize the written examination.* Serious questions have been raised from within and outside the Department regarding 1) its validity as a measure of later achievement and 2) whether it contains a "cultural bias" which discriminates against certain applicants.

3. *Improve Relations within the Foreign Affairs Community.*

Much needs to be done through interpersonal contacts to relate more closely the operations of the three principal units of the foreign affairs community—State, AID, and USIA. The IRG and sub-IRG have promoted better exchanges, but only frequent contact at the working level can produce the type of mutual trust and cooperation that is needed. To open up communications among the principal agencies of the foreign affairs community and between them and others in the Federal government, we recommend:

(a) *Much greater use of the IRG principle at the desk and country director level for monthly exchanges.*

(b) The eventual merging of the State, USIA, and AID geographic desks, offices, and regional bureaus, leaving separate only the functional bureaus in each of the three agencies.

(c) Wide support for the Open Forum Panel by all agencies and participation in its activities by all agencies interested in foreign policy matters to promote an out-of-channel flow of new ideas to top level policy officers.

(d) *Increase the use of out-of-agency tours of assignment particularly between State, USIA, and AID, but including other Federal agencies.*

4. *Improve Relations with the Academic, Business, and Media Communities.* Despite the many facets of our relations with correspondents, professors, and businessmen, we are far from a mutual understanding of ourselves, our functions, and objectives. Biases on both sides mean poor communications that far too often lead to functional disability for the foreign service.

(a) *The office of College Relations should be greatly expanded and its head be a Deputy Assistant Secretary with close university ties.* Currently the primary function of College Relations is recruiting and conducting the summer intern program, and its principal contacts at the universities are placement officers. Its resources are extremely limited. The enlarged office would make greater efforts to draw on contacts with the academic community already developed by FSI, Public Affairs, External Research, Cultural Affairs, and the Student Affairs Coordinator to identify and maintain continuing close relations with key professors and key students in the major universities throughout the country.

(b) *The Deputy Assistant Secretary for College Relations would have an enlarged budget and among his other duties he would manage a new college "liaison" program which would undertake to name middle or senior grade officers to specific universities and colleges on their return for four or five-year tours in the Department.* A returning

officer would be named to one university (perhaps to one faculty or one institute in the case of the larger universities), and it would be understood in the Department that during his tour in the Department, that officer (and perhaps a few others) would serve as central liaison with the University. The officer would visit the university to "recruit," he would identify early the key young professors for internship or possibly for FSR assignments, he would be called upon frequently for speaking engagements (or propose alternative speakers), and he would have the opportunity to spend a total of two months (several visits of a week's duration) at the university over his four or five-year period in Washington at the expense of the Department, lecturing in classrooms, consulting on personnel, recruiting, or just learning.

(c) Similar "liaison" programs would be set up for the business community and Congress. An officer on a five-year Washington assignment might prefer to work as liaison officer with one Congressman or Senator or with a large corporation. The Bureau of Congressional Relations would coordinate the Hill liaison program with the business community. As in the case of the university liaison officer, the Congressional liaison or business liaison officer would in a five-year period have two months detached to his Congressman or two months at his business or corporate contact.

(d) AFSA should sponsor and promote professional contacts between academic professional organizations and the foreign service and encourage academics to contribute to the *Foreign Service Journal*.

(e) Consideration should be given to the establishment of *ad hoc* panels or seminars, to include outside experts together with Departmental officers, for periodically reviewing existing Department policies in order to determine whether they still respond to the requirements and realities of a given situation. There is always the danger that, once a basic policy has been determined, it becomes difficult to change even when outdated by subsequent events and developments. Reviews of such policies (for example, Cuba, Red China, East-West relations, European integration movement, etc.) made in collaboration with business, academic, and other outside advisers would then have the benefit of fresh ideas and views of those not concerned with the daily implementation of these policies.

5. *Improve Relations with Congress.* One of the most serious aspects of our insularity is in our relations or lack of relations with Congress. What is required is not only the institution of new programs but a change of attitude toward Congress and it to us.

We recommend:

(a) *Use the above described "liaison" officer program with the Hill.* We are aware that purposes of the program would have to be clearly explained; however, it seems an eminently sensible way of establishing closer contacts. The "liaison" officers could help H in providing a variety of services for the Congressman in terms of expediting requests and Congressional mail and in facilitation of frequent background briefings on foreign affairs. During a five-year Washington assignment the liaison officer would spend a total of two months on the Hill with the Congressman.

(b) *We should expand the small Congressional intern program for FSO's, and we should attempt to work out a genuine exchange in which some staff members of committees could spend time working in the Department.*

(c) Foreign Service officers on assignment to the field or on return should have on their "check-in" or "check-out" slip a requirement to call at H so that H can arrange a call on their Congressman and/or Senator. H should arrange appointments, but officers should be "strongly" encouraged by senior department officials to make calls on return from overseas assignment.

(d) Each geographic bureau should sponsor periodically full-day conferences on regional problems with members of their panel of outside advisers that would include presentations by the advisers and members of the foreign affairs community. To each such conference several Congressmen and Senators would be invited in addition to individuals from other government agencies.

(e) Country Directors should arrange periodic breakfasts or luncheons with members of Congress and their staff with special interests in the countries.

(f) *AFSA should take the lead in sponsoring joint gatherings, seminars, and lunches with Congressmen and their staff through a more active Congressional Relations Committee.*

6. *Learn More About America.* The foreign service must devote greater resources and energy to understanding America. We recommend a variety of steps:

- (a) Continued assignments to OEO for officers at all levels.
- (b) Introduce new FSI one or two-week courses devoted to American society, similar to the one-time course offered for mid-career officers in 1967 on American Urban Problems.
- (c) Introduce a new FSI program on "American Society and Culture" similar to the one being conducted by Dr. John Reid for

- USIA officers, to be given to officers prior to assignment overseas.
- (d) AFSA should sponsor a noon session of lectures, debates, and conferences in the State Department building on America—its problems and its culture.
- (e) FSI should offer a correspondence course on contemporary American society.

Annex A (6)

REPORT OF THE SUBCOMMITTEE ON REMUNERATION AND BENEFITS

Introduction

The Interim Report of the Committee on Career Principles emphasized the belief "that the public interest requires a foreign service separate from a civil service." This cardinal principle has guided the Subcommittee on Remuneration and Benefits in its work. We have also had in mind that the primary purposes of any compensation system in an organization are to provide equity of remuneration for the duties and responsibilities assigned, attract the best qualified people to staff the organization, and motivate employees to peak performance.

The following report is divided into three parts: Objectives, Current Situation, and Recommendations.

I. Objectives

A. A single, unified Foreign Service salary scale separate from but bearing a planned relationship to the General Schedule (GS) of the Civil Service system should be established.

B. Benefits accorded to Foreign Service personnel should be no less in kind and measure than those enjoyed by other U.S. Government employees, in similar status both at home and abroad. This should not preclude additional benefits which may be justified by unique conditions of the Foreign Service career.

II. Current Situation

A. Remuneration

Taking up first the remuneration aspect, it may be observed historically that prior to 1946 the top range of Foreign Service salaries was higher than that of the Civil Service. Just as the commissioned military services got their pay legislation through Congressional Armed Services Committees, the commissioned Foreign Service of the United States had its pay legislated separately until 1962.

This separate handling reflected recognition that the nature of the Foreign Service personnel program required a "more specialized salary system." Internal alignment, a well established principle for salary structures both within and outside government, existed in the FSO/R and, to a lesser extent, in the FSS scales (Appendix A).

In 1961, a joint Civil Service Commission/Bureau of the Budget Survey group recommended and, in 1962, the Congress enacted legislation enunciating the policy of interrelationships of the several Federal salary systems. On the basis of this principle, linkage points between the FS and GS salary scales were established at FSO-8/GS-7, FSO-4/GS-13, FSS-10/GS-4. It was further determined that the top salary of FSO-1 should equate with GS-18.

This formal salary schedule tie-in between two personnel systems disparate in number of classes and steps as well as in basic concept has resulted in double damage to the Foreign Service scales. First, the pre-1962 internal alignment which was meaningful from a career developing viewpoint has been thrown out of kilter at both the upper and lower ends (Appendix A). Second, the percentage and range of dollar increase in FS classes has generally lagged behind that of the Civil Service (Appendix B).

For example, in 1960 the top of FSO-1 exceeded that of GS-18; by 1963 the maximum salary for FSO-1 had slipped to below the maximum for GS-17. Further reconciliations with the GS scale have resulted in bringing up the top of FSO-1 maximum to GS-18, although retaining some kind of comparability with GS-17.

It may be observed further that the relationship between the FSO and FSS salary scales also has suffered from the repeated manipulations to force both scales into the GS salary mold. FSS-7, a recruiting

level for FSSO's, is pegged at a higher first step salary than FSO-8, the FSO comparable level. Contrarily, the alternate recruiting level, FSS-6, is pegged below that of its comparable level, FSO-7. Both FSO-7 and FSS-6 are pegged below GS-9, the alternate recruiting level in the General Schedule. More and more in recent years, the Department's own appointment practices have reflected the finding that FSO-8 and FSS-10 have become inadequate recruiting levels. As the Civil Service has begun to provide for entry at GS-9 and even GS-11 for the type of university graduate with advanced studies and degrees who increasingly is the successful FSO candidate, even FSO-7 has become inadequate for some entry cases.

Given the comparatively short time available to the Subcommittee, its desire to compare FS and private industry salaries dictated recourse to already available studies. This kind of data was not found. A leading American management consultant firm with worldwide operations, in reporting the unavailability of meaningful information to compare FSO's with middle- and top-management executives in industry, also commented on the difficulty of readily making comparisons between jobs in the same industry. Realistic cross-industry comparisons are almost impossible, the firm said.

However, the Subcommittee examined the recently published findings of the Junior Foreign Service Officers Club (JFSOC), which surveyed all FSO's who had entered the Service after January 1, 1960, and had subsequently resigned voluntarily as of December 31, 1966. The typical entering FSO, at about 25 years of age, with military service completed and a master's degree or equivalent at hand, "probably took a pay cut" if he held a full-time job prior to entry. On leaving, the average ex-FSO increased his salary "by about \$1,900 in moving to his new occupation, although the range in increased remuneration was from \$300 to more than \$10,000."

This indication that entering and junior FSO salaries are below those offered outside government as well by the Civil Service is confirmed by the Subcommittee's own comparison of FS and business starting salaries for the 1960-8 period (Appendices C and D).

B. Benefits

Given the very broad scope of this heading, the Subcommittee concentrated on what are considered to be the special categories currently of highest interest to the members of the Service. It therefore attempted to improve already authorized allowances as well as to study the possibility of additional benefits commensurate with the unique and demanding nature of the Service. Specifically, such benefits could include a quarters allowance for State-side assignments, partial service-connected medical disability compensation, extended medical care, and incentive savings interest programs.

1. Retirement

Interest in the retirement regulations applicable to Foreign Service personnel centers presently upon the (a) minimum 20-year, 50 years-of-age restriction for voluntary retirement, and (b) eligibility for annuities for those FSO's selected out. However, these are not the only matters deserving of Association attention. Recent studies have also revealed certain inadequacies in the FS death and disabilities benefits. There has also been some talk of approaching Congress on the matter of raising from 2 to 2½ per cent the computation rate for retirement benefits.

The current streamlining of the official U.S. presence overseas has raised with particular urgency the question whether the FS retirement system is suited to the managerial needs or the personal preferences of the Foreign Service of the 1970's. The case for change is not clear-cut. An accompanying paper (Appendix E) illustrates the arguments on both sides. What appears to be the area of greatest

concern is the FSO selected out before he is eligible for annuity benefits, with 20 years of service but under 50 years of age.

2. Home Service Transfer Allowance

For many years, the payment of a special allowance to FS officers assigned to the Department was advocated. Moves in this direction came with the establishment of the Foreign and Home Service Transfer Allowances.

Under 5 U.S.C. 5924 (2) and Executive Order 10903, the Secretary of State is authorized to grant to a United States citizen employee "a transfer allowance for extraordinary, necessary and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at any post of assignment in a foreign area. . . ." Thus, the Foreign Transfer Allowance, paid at time of transfer, is intended partially to reimburse an employee for the additional expense incurred because of changing types of clothing, providing insurance on shipments of household goods, replacing furniture and household equipment resulting from transfer to a new environment, etc. At present, however, this allowance is paid only on transfers between climatic zones, with payment ranging in size from \$75 to \$175 depending on size of family.

Under the same authority as the Foreign Transfer Allowance, the Secretary of State may grant a transfer allowance for expenses incurred by a United States citizen employee incident to establishing himself at a post of assignment in the United States between assignments to posts in foreign areas. The Home Service Transfer Allowance consists of two parts: a transfer portion and a temporary lodging portion. The transfer portion is identical to the Foreign Transfer Allowance in type and rate of coverage. For a period not exceeding 30 days, the traveler is also allowed \$6 per day per adult and \$3 per day for his children under age 11 to cover "temporary lodging" prior to entering into more permanent quarters.

That this Home Service Transfer Allowance is inadequate as a means of recompensing for "extraordinary, necessary, and reasonable expenses" incurred incident to an assignment in the United States was recently demonstrated by a Subcommittee study (Appendix F).

Against this standard of treatment for FS employees must be compared the effect of recently enacted Public Law 89-516, which reimburses certain expenses of Federal civilian employees, excepting the Foreign Service, for moves within the United States. Foreign Service employees who are reassigned while already on home tours, for example, Washington to New York or to a university, are not covered either by this law or the Foreign Service Act.

The law reimburses for, *inter alia*, a house-hunting trip by the employee and spouse to the new station, real estate transactions (expenses of selling the home and buying another), and miscellaneous expenses. This latter is a lump-sum payment equivalent to one or two weeks' compensation depending on family status and computed so as not to exceed the maximum rate of a GS-13 salary. It is intended to cover such things as losses on prepaid fees, auto registration, use taxes, connecting appliances, etc.

According to a study by the Civil Service Commission in FY 1962, more than 4 out of 5 employees lost money on moves for the convenience of the government; losses were substantial (average \$558, 17% lost more than \$1000); losses increased with grade level; employees with dependents lost on the average more than twice as much as those without dependents; losses increased with distance moved; persons who bought or sold a house in connection with their move lost more than renters, exclusive of capital gains or losses.

3. Per Diem Allowance

Payment of travel expenses such as hotel, food, and other subsistence costs to government employees traveling on official business is authorized by the Travel Expense Act of 1949 and subsequent amendments, now codified by sections 5701-5708 of Title 5 of the U.S. Code. The act provides maximum amounts which may be paid by Departments and agencies, and it was not anticipated by the Congress that the maximum would be set for all travel. Over-all policies and regulations are made by the Bureau of the Budget.

The House has already passed H.R. 13738, which would increase the maximum per diem allowance in the United States from its present rate of \$16 to \$20 per day. The maximum allowance for official travelers authorized to be paid on an actual-expense basis is increased from the present \$30 to \$35 per day.

U.S. Government employees, when traveling abroad on official business, are reimbursed on the basis of a per diem set for individual countries by the Department of State. H.R. 13738 has no effect on these per diem rates. Upon recommendation of the BOB, this bill does say, however, that when there are certain unusual circumstances of a particular trip within a foreign country that clearly will result in

expenses beyond the per diem for that country, any Department or agency may reimburse up to \$15 per day above the per diem. This is an increase from the current \$10 per day.

4. Commuted Travel

Commuting or prepaying in a lump sum all expenses resulting from travel and transportation of effects of Foreign Service personnel is indeed an attractive theoretical goal. Since at least 1961 the Department has been studying the idea, only to conclude that a large portion of the supposed benefits are unrealistic in practice.

Given the limited time and resources of the Subcommittee, it could only examine the findings of other investigators. These were found to include such statements as:

a. Only air fares, rail fares, bus fares, mileage when using personally-owned autos, per diem, miscellaneous expenses, and excess baggage costs could be prepaid within reasonable bounds of accuracy.

b. As of 1963, these kinds of travel events totaled not more than 2,000, or 14% of the annual Departmental total, with a dollar value of 5% of total annual travel and transportation expenditures.

c. There would still have to be travel vouchers. In fact, there might have to be two. One would be filed in advance of travel to be used as a basis for the prepayment. Upon completion of the travel, the traveler would file either a "verification" or a supplemental voucher.

d. As implied by subparagraph (a.), personnel traveling by ship or shipping unaccompanied baggage, household effects, or autos would be excluded from the program.

e. The "commuted rate system" as authorized by P.L. 600, August 2, 1946, pertains only to domestic travel, where rates are fixed by the ICC, and requires two vouchers. Since it specifically excludes FS personnel, legislative amendment of Section 911 of the Foreign Service Act is required.

f. The Peace Corps does not really use commuted travel in the full sense of the term. It applies only to volunteers and only on their return to the United States. They are separated at post and get a lump-sum payment for only (1) direct minimum jet air fare plus (2) \$12.

g. The rumors that the British use commuted travel are false.

No consideration seems to have been given to simply giving the traveler a sum of money based on an over-all commutation of expenses and letting him spend it—or not—as he pleased. Prepayment was to be based on a determination based, in turn, on having well in advance the employee's travel plans as well as the actual amounts of excess baggage, unaccompanied baggage, household effects, and make and model of auto to be shipped.

The objective was to effect economies in travel and transportation management and thereby enable the Department to get more travel for its travel budget. Change for the convenience of Foreign Service personnel or, as some would phrase it, to reflect that they can be trusted to use Government funds properly and without apparent paternal guidance, is nowhere indicated in these previous studies.

5. Federal Savings Program

Since 1956, members of the uniformed armed services on permanent duty outside the U.S. have been allowed to make deposits from their pay and allowances in a special savings fund held by the Treasury. In August 1966 (P.L. 89-538) this fund was authorized to accrue interest up to 10%, compounded quarterly (effected shortly thereafter by Executive Order) on deposits up to \$10,000 while depositors are overseas. Payments of interest and deposits may not be made while depositors are abroad, and interest terminates 90 days after return to the U.S.; Section 3 of the 1966 act extends this privilege to personnel of the Public Health Service and the Coast and Geodetic Survey. Reportedly, this program is very popular with these military and other personnel and has succeeded in diverting substantial income from expenditures abroad to savings in the U.S. An amendment would be necessary to make participation available to other Federal employees.

III. Recommendations

A. Remuneration

1. Current linkage points between the FS and GS salary schedules should be altered to provide only for equality at the top and bottom levels. FS and GS salary scales are fundamentally not comparable because Foreign Service classes are based on a rank-in-person concept tied to a career promotion system, while Civil Service classes are based on a delineation of levels of duties and responsibilities of classified positions (See Appendix G).

2. FSO/R and FSS salary schedules should be consolidated in a single schedule. This would correct their present inadequate meshing and make for a meaningfully integrated system. Two senior classes could then be added to the Staff Corps at levels corresponding to

FSO-1 and FSO-2.

3. Recruiting-level FS salaries should be brought into line with GS starting levels as well as those of private industry. Otherwise, FSO-8 and even FSO-7 may virtually fall into disuse, resulting in a stunted and deformed FS career ladder.

4. Appendix H is a suggested new scale incorporating recommendations 1 through 3 and based on the 1968 GS/FS salary schedules.

B. Benefits

1. Retirement

a. Annuity benefits should be paid to Foreign Service Officers under 50 years of age who, after 20 years of service, are selected out either through Selection Board findings or time-in-grade limitations.

b. As a minimum, Foreign Service death and disability benefits should be improved by (1) filling gaps in protection for those shifting to other Federal employment, (2) dropping the 5-year minimum service requirement, and (3) establishing comparability with Social Security benefits. In addition, special benefits similar to those enjoyed by the military service should be provided for personnel who die or are disabled as a direct result of their service abroad due to such causes as hostile action or diseases contracted.

c. Efforts by the Civil Service Commission and others to raise the annuity computation rate from 2 to 2½% should be strongly supported by the Association.

2. Home Service Allowance

a. A transfer allowance should be paid on all transfers, not only between climatic zones. The Department already has the statutory authority; it should promulgate a realistic scale of payments and seek appropriate Congressional committee concurrence.

b. Transfers to the Department, in particular, should be properly compensated for, bearing in mind the benefits already enjoyed by Civil Service employees under P.L. 89-516. The allowance, therefore, might well be fixed between the \$1000 figure indicated by the Subcommittee sampling and the average \$558 loss found by the Civil Service survey. If this is not possible, then P.L. 89-516 should be amended to cover at least similar moving expenses actually incurred on transfer to Washington from abroad, as well as for intra-United States transfers which now are not liable for reimbursements. This latter type is due to increase considerably as a result of the recently announced Departmental program for more domestic details to other Federal agencies as well as training assignments.

c. A regular quarters allowance for assignments to Washington and elsewhere in the United States might be further studied if the Association feels the possibility is worth pursuing.

3. Per Diem Allowance

Passage of pending legislation should be strongly urged by the Association and its membership to authorize increases in maximum per diem and actual expense allowances for travel within and outside the United States.

4. Commuted Travel

The Department should be requested to re-examine the possibility of commuting or prepaying in a lump sum all expenses resulting from travel and transportation of effects of Foreign Service personnel. The objective should be advance payment without any further submission of preliminary or confirmatory data by the traveler.

5. Federal Savings Program

The Association should join with other organizations of Federal civilian employees to seek legislation extending to all U.S. Government employees stationed overseas the right to participate in a broadened Federal Savings Program. In addition to extending this form of benefit to all U.S. employees, it would help improve the U.S. balance of payments by discouraging spending abroad.

The Foreign Service retirement (FSR) system, although similar and frequently compared to the Civil Service (CSR) system, has managed to develop as a separate system which suits both management's needs in implementing the personnel policies peculiar to the Foreign Service and in providing adequate compensation for retired or disabled members of the service. It does, therefore, differ significantly from the CSR system in that eligibility limits for retirement with annuity are as low as 20 years' service, age 50. These differences were clearly emphasized in the report of the Cabinet Committee on Federal Staff Retirement Systems dated April 6, 1967. The committee pointed out that the FS must be made up of a "young, vigorous, and capable force with specialized experience, subject to frequent reassignment at home and abroad and in environments which subject the employee and his family to health hazards and general harassment." The report listed the basic shortcomings of the FSR system as: (1) gaps in protection for those shifting from FS to other Federal employment; (2) protection against disability or death does not begin

until after 5 years of service; and (3) benefits do not come up to Social Security levels until after long years of service. While these points are well taken and certainly merit consideration in viewing long-range legislative objectives regarding correction of deficiencies in the system, they do not appear to strike at the heart of the matter which is presently causing the most concern; namely, is the present FSR system suited to the managerial needs of the modern FS? Is it effective in encouraging retirement of those whose performance has declined?

Initial discussion of these questions has concentrated upon lowering or eliminating the age requirement for eligibility for retirement with

Comparison of Internal Alignment in Foreign Service Salary Scales for Years 1960 & 1967 (First Step)

	FSO			
	1960	%*	1967	%*
1.	\$17,250	20	\$24,944	23
2.	14,900	20	20,280	25
3.	12,535	20	16,616	25
4.	10,645	20	13,507	21
5.	8,755	20	11,120	20
6.	7,215	20	9,267	18
7.	6,035	20	7,816	16
8.	5,085		6,734	
FSS				
1.	12,655	8	16,616	25
2.	11,740	9	13,507	21
3.	10,785	10	11,120	20
4.	9,780	8	9,267	11
5.	9,025	9	8,351	11
6.	8,270	10	7,524	11
7.	7,515	11	6,905	13
8.	6,760	12	6,125	10
9.	6,005	9	5,575	12
10.	5,500	10	4,995	
11.	5,000	11		
12.	4,495	12		
13.	4,010			

* Percentage increase over previous class.

Actual Dollar Salary Increases in FS & GS Classes, 1960-67

	Civil Service		FSO/R		FSS			
	1st Step	Last Step	1st Step	Last Step	1st Step	Last Step		
18	8555	—						
17	7258	9390	1	7694	7405			
16	5727	10279						
15	4674	8111	2	5380	7306			
14	3631	6303	3	4081	5275	1	3961	5947
13	2872	4842	4	2862	3762	2	2722	4292
12	2506	3864	5	2365	2791			
11	2097	2915				3	2095	3094
10	1826	2987	6	2052	2466	4	1752	2463
9	1619	2555				5	1591	2023
8	1499	2228	7	1781	2261	6	1519	1708
7	1379	1919	8	1649	1739	7	1405	1575
6	1307	1667				8	1125	2031
5	1220	1409				8	1080	1824
4	955	1504				10	985	1549

annuity, the generally agreed upon figure being 20 years of service with no age restrictions. The Department has considered this subject, arriving at the general consensus to date that its enactment would be too costly to the Government and therefore unacceptable both to the Bureau of the Budget and Congress and that the FS would only end up losing more capable men at an early age.

Criticism of this proposal is highlighted in some of the following factors:

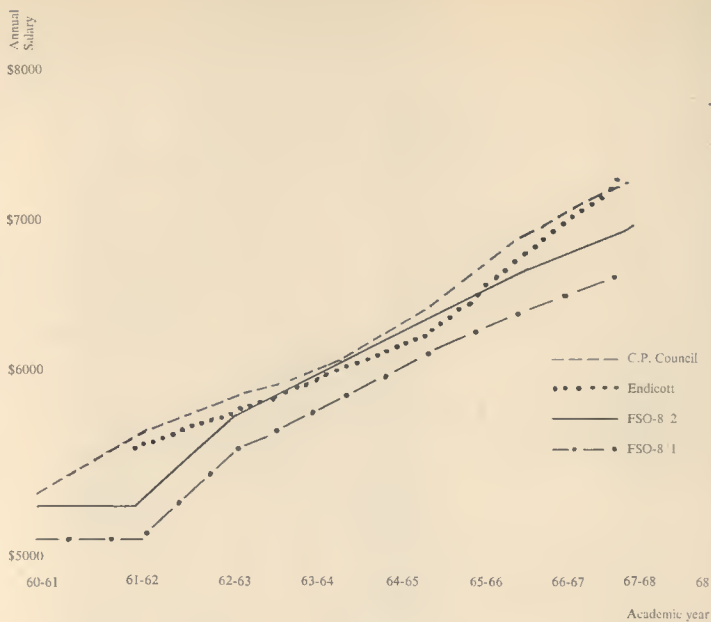
1. The Bureau of the Budget has strongly resisted such proposals in the past since this would simply lengthen the period of annuity payment with consequent higher costs;

2. FSR benefits for those selected out are better than those for CS personnel;

3. The FSR system cannot be compared with the military since the military service retirement (MSR) benefits are designed to accommodate a career which needs young, physically-fit personnel;

4. It could be argued that a man does not deserve an annuity at an early age when he can still get another job and a "substantial gratuity" is presently given to those selected out (up to 12 months' pay depending upon length of service);

5. It would not have much effect as few officers are presently taking



Percentage Salary Increases in FS & GS Classes, 1960-67

	GS		FSO/R		FSS	
	1st Step	Last Step	1st Step	Last Step	1st Step	Last Step
18	46.2	—	1	44.6	37.7	
17	44.0	53.5				
16	37.6	63.0	2	36.1	42.9	
15	34.0	51.3				
14	29.7	44.1	3	32.6	36.0	1
13	26.9	38.0				
			4	26.4	30.2	2
			5	27.0	26.4	
11	27.6	30.2				3
			6	28.4	28.5	
10	26.1	35.2				4
						5
9	25.2	32.2				
			7	29.6	31.8	
8	25.5	30.2				6
						7
7	25.8	28.1	8	32.4	27.4	
6	27.0	26.4				8
						9
5	28.1	24.2				
4	23.7	30.2				10

A Comparison of Foreign Service and Business Starting Salaries

Academic Year	FSO-8 (Step 1) (to BA's age 21 or less)	FSO-8 (Step 2) (to BA's age 22)	C.P. Council: Begin. Offers to BA's in Humanities & Social Sciences	Endicott: BA's Start. Salaries in Sales & Business (average)
60-61	\$5,085	\$5,265	\$ —	\$5,328
61-62	5,085	5,265	5,568	5,604
62-63	5,540	5,725	5,748	5,820
63-64	5,795	5,990	5,952	5,976
64-65	6,050	6,250	6,144	6,264
65-66	6,269	6,476	6,564	6,660
66-67	6,451	6,664	6,948*	6,936***
67-68	6,734	6,959		
68-69	6,981**	7,214**		

* preliminary
** proposed
*** estimate

Sources:

- Foreign Service Salary Schedules.
Effective Dates: July 1960 Oct 1965
Oct 1962 July 1966
Jan 1964 Oct 1967
July 1964 July 1968**
- "Beginning Officers"
College Placement Council (110 reporting colleges and universities from all 35 E. Elizabeth Avenue Bethlehem, Pa. 18018)
- "Trends in Employment of College and University Graduates in Business and Industry"
Frank S. Endicott, Director of Placement (Survey of 200 medium and large companies in 24 states representing all regions of the United States)
Northwestern University
Evanston, Illinois

advantage of even the age 50 limitation;

6. Making such a proposal would give the Department's critics another opportunity to "flail the Department for seeking excessive benefits";

7. It would be viewed as "irresponsible by many and would jeopardize the Department's chances for success" on several other issues.

These points are mentioned to illustrate some of the issues that are raised in the discussion of the 20-year proposal.

There is no doubt that some of these points are well taken. The atmosphere in Congress is certainly not conducive to an approach for extension of such benefits to the FS. Moreover, this may be a particularly poor time to raise the issue inasmuch as the recently completed study of the MSR system by the Department of Defense (Hubbell Report) indicated Defense would very much like to put the MSR system on the same basis as the CSR or FSR systems. In addition, Defense seems to feel that many good, capable, physically-fit men are lost right at that point in their careers where they are beginning to be most effective. We would, therefore, be running contrary to the main stream of thought.

If the 20-year regardless-of-age retirement goal is discarded, the basic problem remains of how to implement personnel policies designed to keep only the most active men in the service and to open up more and better jobs for advancing young officers. As a minimum, the Association may wish to start with the officer selected out before he is eligible for annuity benefits. A system needs to be devised which will give the Department more flexibility in the selection-out process. The Association might wish, for example, to propose that an officer be eligible for annuity benefits after twenty years of service (and perhaps age 45) if he is being selected out either through action by the promotion panels or through time-in-grade limitations. This would not extend, however, to any officer voluntarily resigning. In this manner, the Department would have sufficient flexibility to implement the selection-out process as it was originally conceived without the further consideration of the potentially serious financial burden facing the officer not yet eligible for retirement. The cost of such a

program should not be of such magnitude as to make the program prohibitive. It might be pointed out here that among the three systems, the following coverage was being extended in 1967:

CSR—2,700,000 members; 500,000 annuitants.

MSR—2,300,00 members; 75,000 annuitants.

FSR—5,400 members; 1,200 annuitants.

The flexibility provided the Department in offering benefits to those selected out before age 50 would appear to be of great advantage, while at the same time providing just compensation to those affected by the up-or-out system of the FS. This is particularly important in view of the lowering of the time-in-grade levels. It can not, of course, be considered in isolation from the other objectives of career planning and policy in the FS. The sort of thinking reflected in the arguments listed above against a 20-year, no-age limitation on FS voluntary retirements need not be allowed to detract from this goal. The FS is as different in its needs for an effective retirement system as it is in many other areas of remuneration, selection, etc., and should not be compared in this regard with Civil Service. This fact has already been recognized in the existing regulations and has been reemphasized by the Congressional Committee's report. Our policy should be continued emphasis on the distinctiveness or uniqueness of the FS's needs if an effective personnel program is going to be implemented.

Several other points might merit mention. The matter of raising the annuity computation from 2 to 2½% has been under consideration by the CS. This would, of course, be of great benefit to all and would fit in very well with the proposal for lowering the age barriers to granting of annuities. If a man were to get 50% after 20 years rather than 40%, the blow of selection-out would obviously be even further softened. The cost is apt to be considered high by the Government, and it is unlikely that such a proposal will carry, especially since current studies seem to indicate that government employees fare very well when compared with retirement, etc., programs in private industry.

Regarding death and disability benefits, the Association should join with the other employee groups in striving for comparability with Social Security benefits, as a minimum. In addition, the Association might wish to consider proposing legislation that would expand benefits for those who die or are disabled as a direct result of their service abroad; i.e., due to hostile action or diseases contracted. In this regard, the risks of Foreign Service personnel are not really comparable with the regular CS employee in domestic service. Rather, we need to look at the situation of the military service, whom we woefully lag behind. Just as their superior benefits derive from the unique conditions of their service so has the Foreign Service a special case on which to base special treatment above CS levels.

A random sampling by questionnaire of employees of the Department, USIA and AID concerning unreimbursed expenses involved in establishing residence during Washington assignment was conducted. Of the 120 questionnaires distributed, 51 responses were received.

The FS/R employees who responded ranged in grade from FSO/R-1—6. The FSS employees, a total of five, ranged in grades from FSS-2—6.

The housing status of employees assigned to Washington showed that more than half (28) were obliged to purchase homes on assignment to Washington, five owned homes prior to assignment, and

eighteen rented housing.

Unreimbursed losses or damage in shipment averaged \$200 with three employees indicating losses between \$700—\$800. Half of those who responded indicated that they had sustained no losses.

Extraordinary unreimbursed expenses during the temporary period were sustained by 31 employees. The average unreimbursed expense was about \$300, with two employees estimating expenses in excess of \$1300.

Expenses incurred in setting up a household were claimed by 40 employees. Sixteen set their expenses as over \$1300, with one as high as \$4000. However, the average of the remainder was approximately \$500.

Proposed FS Linkage with GS-Scale				
GS	FSO/R	Present FSS	Proposed FSS	
GS-18	FSO/R-1		FSS-1	
		-2	2	
		-3	3	
		-4	4	
		-5	5	
		-6	6	
		-7	7	
		-8	8	
			-7	9
			-8	10
		-9	11	
GS-5		-10	12	

Proposed Combined FSO/R and FSS Salary Scale (Based on July 1968 Salary Scales)			
Foreign Service Class	First Step	% Between Classes	
*FSO/R-1		} = 20%	
Proposed FSSO-1	28,000		
FSO/R-2			
Proposed FSSO-2	23,014		
FSO/R-3			
FSS-1	19,178		
FSO/R-4			
FSS-2	15,982		
FSO/R-5			
FSS-3	13,318		
FSO/R-6		} = 15%	
FSS-4	11,098		
FSO/R-7			
FSS-5	9,561		
FSO/R-8			
FSS-6	8,392		
FSS-7	7,629		} = 10%
FSS-8	6,935		
FSS-9	6,305		
**FSS-10	5,732		

* Salary equivalent to GS-18

** Salary equivalent to GS-5

Annex A (7)

REPORT OF THE SUBCOMMITTEE ON ORGANIZATION AND LEADERSHIP

Conclusions

1. The President looks to the State Department to advise him on foreign policy, to conduct diplomacy, and to provide leadership to the foreign affairs community. To fulfill these requirements effectively, it is essential that the Department have good people, good organization,

and good leadership (effective management). Without effective management, the President cannot have the confidence in the Department that is necessary if it is to be utilized effectively.

2. People provide leadership, organizations do not. The style and effective utilization of the State Department is largely determined by its senior management, i.e., the Secretary, the Under Secretary, and

the Assistant Secretaries.

3. The organization of the State Department is basically adequate. While some changes should be made, particularly on the Seventh Floor, no significant improvement will come from simply rearranging boxes on an organization chart.

4. The task of the Foreign Service is to conduct our diplomacy abroad and to furnish qualified professional officers to the Department of State and, where required, to other agencies within the foreign affairs community. In order to do this, the Foreign Service must dispose of more and more officers who are capable of providing leadership in both capacities.

5. The implementation of NSAM 341 (SIG/IRG) can play a significant role in the conduct of our foreign affairs. While senior officers in the State Department are showing greater interest in it, this machinery is far from being fully utilized.

6. The State Department should do more and better planning. While the functional offices (such as S/P and G/PM) can assist the regional bureaus with their planning, it should be done mainly by the bureaus.

7. While it is not a panacea, integrated planning and programming of resources under State Department leadership can be a useful tool. The success of this concept, however, will be very much affected by the interest and support of the Secretary and other senior officials for the SIG/IRG mechanism.

8. While it has some disadvantages, the Country Director system is generally better than the previous system, particularly if used to its full potential. The performance varies, however, very much with the individual.

Recommendations

Actions to be Taken Immediately

1. The most important single step which could be taken to improve the management of the State Department would be the appointment of a "general manager" as number three officer, to be called either Executive Under Secretary or Permanent Under Secretary.

2. The SIG staff should be increased. The additional personnel should include both FSO's with a bent for management and analysis and officers with a management background. It should also include representatives from other agencies, as provided in NSAM 341.

3. Each regional Assistant Secretary should designate or appoint a deputy to be responsible for management of the bureau, particularly planning, programming and budgeting.

4. The IRG Staff Directors should be given adequate, qualified staffs.

Proposals for Subsequent Study

1. The group discussed the idea of an "Office of the Secretary of State." It was unable, however, to locate or develop a specific proposal in order to form a definite opinion. To the extent that this proposal involves establishment of a separate structure to preside over the foreign affairs agencies, the group is doubtful that it would be effective. The proposal is apparently largely derived from experience with the Office of the Secretary of Defense, who uses the budget as his primary instrument of control. The bulk of the work of the State Department cannot be dealt with through the budget. While the budget can be used to help direct some of the work of the State Department and much of the work of the other foreign affairs agencies, this could also be accomplished through effective use of the SIG/IRG/Country Director system. Despite these misgivings, the group believes that the Career Principles Committee should attempt to obtain a more specific proposal and give it further study.

2. The group examined the ARA Country Analysis and Strategy Paper (CASP). It agreed that, while the most promising system now available in the State Department for resource allocation planning, it has not yet proved itself. The group believes, therefore, that the Committee should continue to study this and other planning and programming approaches, with a view to making recommendations regarding extension of such a system to other areas next year.

Report of Working Group I of Subcommittee on Organization and Leadership

Planning, Programming and Budgeting

Problem

To devise effective procedures and institutions for planning, programming, and budgeting in foreign affairs.

Discussion

Two points of view have developed in the Subcommittee. One of them is a relatively unqualified endorsement of PPBS in its full sense; the other reflects somewhat greater skepticism as to the value of planning and advocates a more gradual and more qualified approach. It might have been possible to bridge the gap between these two viewpoints by adroit formulation of the report, but it would seem more useful for the purposes of the Association if both were set out independently, together with an indication of the substantial area of agreement between the two. The viewpoints are representative of main currents of thought regarding planning and thus have some validity and interest in themselves, particularly in view of the recommendation of this report that further consideration should be given to the question.

Area of Consensus

1. More and better planning and programming is needed in the foreign affairs community with budgeting an integral part.

2. The foreign affairs community can be defined in two categories. First, there is that community which consists of the agencies fully concerned with foreign affairs: State Department, AID, USIA, and the Peace Corps. Secondly, there is the larger community which includes those agencies which have important interests in foreign affairs but which are primarily oriented otherwise: Treasury, Commerce, Agriculture, and Interior. Defense is a special case but falls mainly in the second category. The importance of making this distinction is that the State Department might legitimately expect, under some arrangements, to exercise authority over the activities of the first category, whereas its relationship to the agencies in the second category will be that of first among equals where foreign affairs are concerned. In the latter case, these major Departments are heavily oriented toward domestic considerations. They and State represent different facets of policy which must be balanced in arriving at national policy. State cannot expect its particular set of criteria, derived from foreign policy needs, to be controlling with regard to questions it shares with these Departments. National policy must be arrived at through a process of bargaining among the various interests, with final positions to be made by the President.

In the field of planning, united plans should be prepared and carried out under State leadership for the first category. It will be essential that the agencies in the second category are also intimately involved in preparing and carrying out plans, but they will participate more as independent entities with whom it will be necessary to bargain and compromise. In the following paper the term foreign affairs community will refer to the larger community encompassing both categories, and the differing relationships within that community must be assumed.

3. A planning and programming system of the type of PPBS appears to have utility at least for those foreign affairs activities which involve, to a significant degree, resource allocation. The CASP system of ARA is a promising experiment which may prove applicable to other areas where such a system can be used.

4. Planning and programming of this type have the advantages of coordinating and centralizing decision-making and of employing more rigorous and systematic methods in reaching decisions. There is thus both an institutional and a methodological aspect. In addition it helps develop throughout the foreign affairs community a better understanding (and probably a higher degree of consensus) regarding the nature of our foreign policy program, the national objectives in foreign affairs, and policies suitable to attainment of those objectives. It also helps develop patterns of leadership and authority in the foreign affairs community as a whole.

5. In planning and programming of this nature, the basic program unit should be a geographic unit, normally a country.

6. Planning and programming should be done principally by the operators rather than by specialized planning staffs. In organizational terms, it should be done mainly in the bureaus.

7. The extra manpower in Washington resulting from the balance-of-payments personnel reductions abroad should make it possible to provide to the bureaus and to the SIG what extra staff is needed to do the planning that should be done.

View Most Favorable to Planning

8. The PPB system as recommended by the Bureau of the Budget can be especially molded to encompass the entire foreign affairs community satisfactorily; this would mean the activities of all the operational bureaus of the State Department and their counterparts in other agencies. The group chaired by Charles J. Hitch, in its recommendation to the Secretary of State, said: "We believe that a well designed programming system, including the necessary program

planning and analysis, can provide you with a major tool for carrying out your responsibility for the direction, coordination, and supervision of the foreign affairs activities of the US Government. While a great deal of careful, step-by-step development will be needed, we see no technical obstacle to an integrated programming system within the federal government that will meet your requirements in the management of foreign affairs. . .”

9. Experimentation in the Department with the development of such a cross-agency PPB system has gone about as far as it can go; it now requires the active support and involvement of top leadership to permit its application to become a reality.

10. A foreign affairs PPB system can account for objectives that have minimum resource implications as well as those requiring significant resource inputs.

11. Planning-Programming-Budgeting can make major contributions to the entire spectrum of decisions that must be made in the conduct of foreign affairs.

12. It is possible through the use of PPB to gain a greater degree of initiative in world affairs and thus to increase our influence, over time, on the course of events.

13. The time and attention of foreign affairs operators can and should be shifted significantly from current operations to longer range planning. Such a shift will be possible since, as advance planning takes hold in foreign policy management, the time required for day-to-day reactive management is reduced.

View More Skeptical of Planning

14. The limitations on planning in the field of foreign affairs are considerable. The milieu is shifting and amorphous and key factors are frequently unknown or imperfectly understood. At the same time, the essentially political process by which decisions are reached reduces the opportunities for advance staff planning to influence them.

15. The capability of even a great power to influence events in foreign countries is normally limited. Good planning and programming can no doubt improve this capability somewhat, but the limits within which it can do this are generally rather narrow.

16. A planning-programming system is applicable mainly to decisions in which resource allocation is a significant factor. Professor Thomas C. Schelling states in a memorandum (*PPS and Foreign Affairs*) prepared for the Jackson subcommittee: “. . . PPBS works best, and historically has been mainly applied, in decisions that are largely budgetary.” He stresses that it is the “spirit of PPBS” that can be applied to non-budgetary decisions. This is the methodological aspect referred to in the consensus view above. Former Budget Director Schultze told the Jackson Subcommittee (Hearings, August 23, 1967): “PPB is a system for handling and managing budget resources. In itself, it is not now set up and probably can’t be well set up to handle the foreign relations aspect of the problem.”

17. Planning and programming, in one form or another, are necessary in those aspects of foreign affairs involving resource allocation to a significant degree. They also have a role in other aspects. However, they inevitably compete for the time of the foreign affairs operator with other pressing activities, and a form of the principle of marginal utility operates. In the areas not involving resource allocation, the marginal utility of additional increments of planning becomes negative at a considerably earlier stage.

18. A PPB-type system is therefore not likely to be sufficiently useful to justify its adoption in bureaus of the Department, such as EUR, which do not manage such programs. This is not to say, however, that the methodological aspects of the system could not be adopted to a greater degree in such areas to improve the quality of analysis and decision-making.

Recommendations

It is evident from the foregoing that the differing points of view would lead to differing recommendations. Accepting that the view which advocates full use of a PPB systems would prefer to see this adopted forthwith, but accepting also that this report itself is evidence that the case for such a step has not been proved, the Subcommittee recommends as follows:

1. Further study should be given to the utility of the planning-programming-budgeting concept, focusing on the CASP experiment. Within a year, the Committee should recommend the extent to which this or another form of PPB should be adopted in the foreign affairs community under the Department’s leadership.

2. Meanwhile, there should be instituted for all countries (or other more useful geographic units) some form of annual planning cycle

based on a five-year projection. At a minimum this should be done in regular annual policy reviews which would not entail the maintenance of written plans, though written studies would be used as a basis for the reviews and action papers might emerge from the process. The purpose would be to redefine and assign priorities to objectives, examine all alternative feasible means of achieving objectives, etc. The review should hew closely to the range of decisions the US might have to make. Such budgetary decisions as are required would be cranked in. The entire foreign affairs community would participate through the IRG’s.

3. An annual cycle of planning of world-wide scope should be undertaken on a five-year basis. It may or may not be desirable to maintain a written plan. In any case, principal reliance should be put on special analytical studies and an intensive oral examination. It may be useful each year to prepare a final paper setting out trends, issues and likely decisions over the period. The study would be conducted under SIG auspices by S/P in cooperation with the foreign affairs planning community. The product would be reviewed by the SIG (either through written papers or oral briefings).

4. The Subcommittee intended to recommend, and hence endorses, the rearrangement of responsibilities being proposed for contingency planning. It believes both political-military and purely political planning should be centralized in the SIG/IRG mechanism. It recommends, however, that G/PM be charged with operational responsibility for overseeing the political-military planning. The plans should be prepared in the bureaus, as contemplated. The Subcommittee wishes to stress one point: unless the SIG staff, and G/PM in the case of political-military planning, play an active role of gadfly, the heavily burdened bureaus will tend not to do all the contingency planning they could usefully do.

Report of Working Group II of Subcommittee on Organization and Leadership

Organization and Leadership in the Department of State

1. *Importance of Organization and Leadership in the Department.* Without minimizing the importance of the more traditional “diplomatic” functions of the Department, we have considered the question of leadership and organization in the Department as of interest primarily as it relates to the Department’s ability to lead the foreign affairs community. The major interest and the concern regarding the Department among the American people, as well as in the Congress and the Executive Branch, pertain to how well the Department assists the President in his responsibility for the conduct of foreign affairs. The deep and multi-faceted involvement of the U.S. in foreign affairs now extends far beyond the traditional diplomatic functions. The key test of the Department’s effectiveness is its ability to provide wise and timely leadership to all agencies of the government involved in foreign affairs under the President’s direction.

2. *Leadership vs. Organization.* Ability to lead is, to a major degree, a function of personal qualities. No chain of command or table of organization alone can provide effective leadership if the individuals concerned lack the desire, competence, or the confidence to lead. We do not discount the importance of organization as an aid or hindrance to performance, but we are convinced that current strengths or weaknesses in the Department of State do not stem principally from the way the Department is organized. Any institution, including especially the Department, is likely to reflect the style, personality, and leadership qualities of its senior officials not less than the organizational framework within which they operate.

3. *The Quality of Personal Leadership.* The recent stress on the Department’s leadership responsibilities, as evidenced through the establishment of the SIG/IRG structure and the creation of the Country Director position, highlights more than ever before the importance of personal leadership qualities. It is evident that such qualities exist in strength among individuals at various levels and in various bureaus throughout the Department. We believe, however, that there is considerable room for improvement. There is by no means general acknowledgement throughout the foreign affairs community that adequate leadership is offered by senior officials of the Department on a broad scale down to and including the Country Director level. We believe this is indicative of the important problem of how to promote personal qualities of leadership, especially in career officials of the Foreign Service. This problem is presumably the subject of consideration by another subcommittee. We believe the apparent shortage of executive leadership offered by career officials

of the Foreign Service in Washington is in contrast to the generally strong leadership provided by our career Chiefs of Mission abroad. The distinction may flow from the special conditions and requirements of competing in Washington directly with other agencies in their home base, especially where the latter are led by forceful agency heads benefiting from permanent and experienced staff.

4. Organization.

A. Seventh Floor.

(1) *Office of the Secretary.* The heavy responsibilities of the Secretary as principal foreign affairs adviser to the President require that he be able to devote himself unreservedly to the major problems of war and peace and to the other principal issues of the national interest. For this purpose we believe he requires full-time assistance from his second in command, to act as his *alter ego* as well as his deputy. To enhance the concept of the *alter ego* and to distinguish him clearly from other senior officials, we recommend that consideration be given to changing the title of the Under Secretary to that of Deputy Secretary.

(2) *Other Command Positions on Seventh Floor.* We have reviewed with interest the analysis and recommendations of the Herter Committee regarding the establishment of a proposed new post, subordinate in rank only to the Secretary and Under (or Deputy) Secretary, to assure that foreign policies and programs are carried out with maximum effectiveness. As foreseen by the Herter Committee, this officer would act in the Secretary's behalf in ensuring that:

(a) foreign affairs personnel and machinery are adequate to the nation's international responsibilities;

(b) policies are supported by action programs and by the means and resources for their realization;

(c) the processes of policy-making, program development, budgeting, and administration are brought into an effective union; and

(d) interagency relationships and personnel arrangements are properly coordinated.

We believe this concept has considerable merit, particularly with the added responsibilities of the Department (as under NSAM 341) in providing leadership for the foreign affairs community. The officer filling this position could relieve the Under (or Deputy) Secretary of various broad "management" functions in the foreign affairs community as well as within the Department. We believe much of the responsibility of the present Under Secretary for Political Affairs could effectively be merged into this new position.

There was some division in the Herter Committee as to whether the new post should be called Executive Under Secretary or Permanent Under Secretary, and as to whether it should be filled statutorily from the career Foreign Service. We believe either of these titles would be satisfactory, but agree with a minority of the Herter Committee that the officer in question should be in the direct chain of command as third-ranking officer of the Department. He should be not only a person enjoying the full confidence of the President and the Secretary, and knowledgeable in foreign affairs generally, but should be experienced in the workings of government. While we would hope that the post would normally be filled by a senior career officer of the Foreign Service, we do not believe this should be made a requirement. The ability of the Foreign Service to provide the right man would determine the matter of selection. The President should not be required by law to fill the post from the Foreign Service if more competent persons experienced in the public service are available for it.

We believe consideration should also be given to creating a permanent position of Under Secretary for Economic Affairs. This officer might serve as 4th-ranking person in the chain of command in the Department, but would be responsible primarily for high-level leadership and coordination in the Department's relations with the economic issues. He would thus assume some of the functions now vested in the second Under Secretary.

B. *The Regional Assistant Secretary.* We believe the regional Assistant Secretary is the pivotal point for management of the bulk of our foreign affairs. His is the primary responsibility for communication with and headquarters direction of our missions abroad, for liaison with foreign ambassadors in Washington, and for the bulk of all but the most vital decisions in the formulation of policy and the conduct of our foreign affairs. Although his effectiveness depends on his relationship upwards with the 7th Floor and downward with the Country Directors, his personal leadership is an irreplaceable and indispensable element. We have seen the responsibilities of regional Assistant Secretaries snowball through the years as our involvement in foreign affairs expanded. The current desire for more thorough

leadership (as through Chairmanship of the Interdepartmental Regional Group) and the prospects for our continuing involvement abroad foreshadow increasing pressure on the regional Assistant Secretary.

We believe the desirability of increasing the number of regional Assistant Secretaries should be explored. Some of them, at least, appear to be overburdened. The present number of five regional bureaus has been unchanged for many years with the sole exception of the addition in the 1950's of a new Bureau of African Affairs. It may be not only feasible but desirable to narrow the jurisdiction of some of the regional bureaus and to create a number of additional regional Assistant Secretaries. We do not believe it appropriate at this point to try to determine where the changes should come; but, as examples, it might make sense to create a new Bureau of South Asian Affairs out of the present NEA and to split ARA with perhaps Canada, Mexico, Central America and the Caribbean in one new bureau and South America in the other. The principal purpose would be to permit the Assistant Secretary to give closer personal leadership to the broad spectrum of our involvement in the affairs of his region.

If one or more of the present regional bureaus are to be divided, the new bureaus might not require more than one Deputy Assistant Secretary each. At present, it appears that Deputy Assistant Secretaries in the regional bureaus may have taken on duties previously performed by geographic Office Directors. This may be necessary under the present division of the bureaus. But under this arrangement the Deputies constitute a layer in the chain of command between the Assistant Secretary and the Country Directors which appears to be inconsistent with the concept of the Country Director position.

C. *Country Director.* We strongly support the concept of the Country Director as enunciated in FAMC No. 385 of March 4, 1966. We believe it essential that the Country Director be in a position to provide "full interdepartmental leadership on country matters" in support of the broader leadership responsibility of the regional Assistant Secretary and the Department as a whole.

It is our impression that the Country Director system has worked better in some bureaus than in others. This difference may stem from differences in the quality of personal leadership offered by the individual officers in the Country Director positions, but it seems also to be linked to the vitality of the support given to the concept by the various bureaus as well as by the 7th Floor. We believe that, if the Country Director concept is really to take hold, only the best officers available should be tapped for the position, and that they be given adequate authority to do their job. We see the prospect noted above of reducing the number of Deputy Assistant Secretaries per bureau as one way to enhance the position of the Country Director. But wholehearted acceptance of the Country Director concept by the senior officials of the Department (and their readiness to deal directly with the Country Director on appropriate matters) is more important in this regard than any organizational change.

Report of Working Group III of Subcommittee on Organization and Leadership

Leadership in the Foreign Affairs Community

1. *The Problem:* There is a manifest need to make certain the Secretary of State is able to carry out his primary responsibilities to:

a. Advise the President on all foreign policy matters

b. Execute foreign policy decisions

c. Mobilize and utilize all, or those elements required in a particular circumstance, of the United States Government's foreign affairs community.

2. *Background:* It should be remembered that prior to World War II the foreign policy of the United States was passive, a fact which was faithfully reflected by the operations of the Foreign Service.

The change to an active role came rather abruptly, historically speaking, during World War II, when operations and demands upon the Service greatly outstripped its existing capacities.

There rapidly evolved at this time a series of autonomous, project-oriented operations which were only tenuously linked to the Foreign Service and the Department of State. While some may argue that the Marshall Plan and similar efforts were established independently of the Department for reasons of policy, we are persuaded that the inability of the Department to cope with an activity of such great magnitude was a major factor in the decision. The nature and the experience of the Department were such that the US could only act by creating a new organization. This performance has been repeated

in a number of ways during the past two decades. One has only to review the evolution (or the separation from State) of such foreign affairs agencies as ACDA, USIA, Peace Corps and various other official overseas operating agencies or units.

Furthermore—and one cannot deny it—the majority of Foreign Service Officers in positions of authority and responsibility at that time were strongly disinclined to accept new responsibilities in areas so remote from their own experience and competence.

It was in this manner, therefore, that true leadership of the entire burgeoning foreign affairs community was to a large extent forfeited (or rejected) by the Foreign Service. At that key period in the history of U.S. foreign affairs, the Foreign Service acted to retain its ivory-tower nature and continued to do so as our basic foreign policies underwent their greatest change since the founding of this country.

When it finally became apparent that foreign policy could not successfully be divorced from foreign operations, a new breed of Foreign Service Officers emerged, willing and even eager to assume leadership over the foreign affairs community. Unfortunately, the pattern was well established before the Foreign Service began scrambling just to maintain its position, let alone win for itself the leadership of the new foreign affairs community. The odds against the Department are great because of the entrenched strength of the other foreign affairs agencies. Added to the problem is the quarter-century-old tradition that "if the matter is referred to Washington, the State Department can be handled." The Department is "handled" almost every day.

3. *Current Trends:* The Department and the Foreign Service today are apparently eager and willing to take charge of America's foreign affairs if the appropriate "handles" can be found. It is not so much a question of grasping a nettle as of trying to mold a marshmallow.

Since 1961, the emphasis has been placed on creating an institutional framework to assure the pre-eminence of the Department and the Foreign Service in the conduct of all foreign affairs. In this connection President Kennedy sought to re-establish the absolute authority of U.S. ambassadors abroad. And in 1966 President Johnson went even further by establishing the SIG/IRG mechanism to provide the Department with greater authority within the Washington foreign affairs community.

Institutions cannot by themselves overcome the inertia of long-established practices, nor can brilliant personal leadership in Washington provide the Department and the Foreign Service an unchallenged and absolute authority in the conduct of foreign affairs. The Washington bureaucracy is particularly adept at frustrating brilliance. Circumstances currently prevailing require a combination of first-class talent capable of operating successfully in official Washington's peculiar climate and absolute insistence on having the other institutions comprising the community work to achieve our foreign policy objectives as determined by the President and Secretary of State.

Leadership manifests itself at two levels. The Secretary of State's position is solidly established by tradition and experience. His effectiveness has always depended on a number of factors ranging from his personal relationship to the President to the quality of other cabinet members. Some Secretaries of State have been excellent managers of the Department, others uniquely effective in their relations with the Congress, while still others have distinguished

themselves as superb negotiators and brilliant statesmen, unexcelled in conceiving foreign policy. Unquestionably, personal characteristics will be extremely important, but they will always vary with the man. The real problem lies in finding some way to transfer the Secretary's authority to lower levels where the great and real mass of foreign affairs matters are dealt with from day to day—the operational levels.

In order to understand the role of Department officers within Washington's foreign affairs community, it is necessary to observe the manner in which other agencies deal with foreign affairs activities. USIA, AID and CIA are basically foreign-orientated, utilizing a system of country desks or divisions which conform to the method used in the Department. Other agencies, however, for which foreign affairs is a marginal activity, frequently deal with specific countries at a relatively low level. Representatives from these agencies on the "fringe" of the foreign affairs community have virtually no authority on policy matters.

The Department of Defense is, of course, a special case; but here, too, the country specialists have considerably less standing in their own organization than the Country Director has in the Department. Consequently, in his dealings with other agencies on policy matters, a Country Director frequently fails to receive the cooperation he expects because the occupants of the policy-making slots in those agencies tend to equate him with their own junior country-desk officers.

The effectiveness of the Department at the country level is unnecessarily reduced owing to the fact that virtually all Departmental positions in the regional bureaus are occupied by Foreign Service Officers, who rarely hold their positions for more than three to four years. Thus a Country Director, however competent and knowledgeable he may be, is generally not as adept in dealing with the bureaucratic jungle as are the people of other agencies who remain in one area of responsibility for many years.

If the Department is to exercise the kind of bureaucratic expertise needed in Washington, it must establish a body of personnel at the policy-making level and in the operational areas permanently assigned to the Department. Inescapably, this seems to call for a degree of de-Wringtonization, so phased over a period of time that it will better enable the Department to hold its own within the foreign affairs community at home.

4. *Conclusions:*

a. That we should continue with the utilization of the SIG/IRG mechanism in institutionalizing the Department's leadership in foreign policy matters. We should avoid establishing rigid operational guidelines, thus permitting each bureau to operate its IRG in a manner best suited to the circumstances prevailing in its jurisdiction.

b. That an amendment should be promulgated to NSAM 341 specifically establishing the position of the Country Director and setting forth in unequivocal terms both his responsibilities and authority.

c. That an effective program should be developed within the Department to establish a number of Civil Service positions up to and including the Country Director level. This would be phased over a five-year period. Initially, Civil Service recruits would operate at the lower levels, thus providing on-the-job experience while enabling them to advance systematically to levels of greater responsibility.

Essentially, there is an apparent need for a permanent staff in the Department, comparable to the Foreign Service and sympathetic with the objectives and operations of the Foreign Service.

Annex A (8)

REPORT OF THE SUBCOMMITTEE ON TECHNOLOGY AND SYSTEMS ANALYSIS

Assumptions and Observations

The Committee's report is based upon two important, underlying assumptions:

1. Technology and analytic techniques cannot be studied or inventoried in isolation. The techniques have meaning only in relation to applications to specific problems. The Committee therefore has postulated the key management phases of the foreign affairs process, identified certain key problems related to each phase, and then sought to suggest technology and analytic techniques which might prove

useful.

2. Technology and analytic techniques will ultimately help with most of our major management problems; they will not provide the solution to the problems. What is first needed is a study of the problems themselves, not a study of the techniques. Once we have re-thought what we want to do in each of the management phases, what our objectives are in all the important fields of activity, and what we wish to do to bring about improvement, then we will find the technology at hand to help.

From these assumptions flow two observations on the relationship

of technology and analytic techniques to foreign affairs. The first is a general statement concerning the relationship of foreign affairs to the *computer*—the most prominent element of new technology. The second concerns *systems analysis*.

A natural affinity exists between the computer and foreign affairs. Both deal with *information*. Information is the "stuff" of diplomacy and foreign affairs, the bloodstream. Almost every activity of the Department and the Foreign Service is totally dependent on, and results in, a message, a document, a statement. Foreign affairs is communication: intelligence reporting, planning, drafting, negotiation, persuasion, coordination, publicity—that is, information.

The computer deals only with information.

For another reason there is an affinity between the computer and foreign affairs. The computer, if it does nothing else, allows us to deal more effectively with complexity. A major challenge to modern diplomacy is its ability to meet the demands of accelerated speed, of added dimension, of almost infinite interrelationship. The computer is an instrument geared to such complexity.

In one important aspect, however, the affinity is strained. Foreign policy deals with ill-defined, behavioral interplays of personal judgments; the computer deals with precise values and defined relationships. This apparent cross-purpose increases the difficulty, it does not negate the need for association. Not all of the processes of foreign affairs are nebulous, behavioral qualities. There are in foreign affairs precise values—though often hidden—and definable relations.

The kind of study and re-thinking of the system which is required before any application of new techniques is possible is no superficial identification of the problems in an area. Rather a profound and probably revolutionary examination must be made of every element and phase of the process; that is, studies involving *systems analysis*. Such studies have not heretofore been made in the foreign affairs field.

Systems analysis is a new name for an age-old procedure: the detailed, methodical examination of what constitutes a process so that it can be re-formed to greater effectiveness. New methods have been added to the examining techniques in recent years, methods which can deal with greater complexities and with myriads of interacting elements.

All systems involve the integration of physical and human assets:

- objectives, policies, organization;
- physical, financial, manpower and intangible resources;
- procedures and direction.

These assets are dissected and re-assembled by systems analysis. Since decision making is an important element throughout the various foreign affairs processes, a major goal of systems analysis in the field of foreign affairs is the creation of a structure which encourages informed and systematic examination of available alternatives in the use of resources.

Computers depend on systems analysis. Computers cannot be applied in most cases without systems analysis: an organization must clean up its systems before it can use a computer.

Two Mistaken Assumptions To Be Removed

The Committee, perhaps gratuitously, submits that two faulty assumptions have been prevalent, the removal of which will also be essential to any productive study of the foreign affairs process and so of the application of technology and analytic techniques:

(a) The term "management" has in the past been equated with "administration." Management, in fact, is synonymous with leadership. Leadership means decision-making, the full direction of *all* the activities of an organization toward fulfilling its objectives: substantive policies, program activities, administrative support. Until the Service recognizes this underlying commitment to manage across the board, there will be some shortfall in management and so, inevitably, in leadership. There will also be inadequate "rethinking" of the processes which is the one requisite to the application of technology and analytic techniques.

Many Foreign Service Officers have a tendency to assume that they are fully knowledgeable and competent in these "other" aspects and that they only need to be "allowed" to handle them, to manage them in the sense of over-all direction. This is to misunderstand the message. FSO's need further understanding of the processes, and indeed many leaders in the Service traditionally have shown a strong disinclination to involve themselves in any but those directly encompassed by substantive policy considerations. For instance, very few top officers have demonstrated interest and permitted themselves to become other than superficially involved in such matters as "information handling," or "program management"—processes which are of fundamental, pervasive importance to the handling of foreign affairs.

(b) The critical elements involved in foreign affairs processes are overwhelmingly "substantive" in character even though they deal with procedures, or funds, or personnel. In every case the effectiveness of the process hinges on the objectives and purposes to be sought, and the identification and delineation of those objectives is the most taxing possible substantive task, which is to say, the most important elements of these processes go to the very roots of foreign policy, of diplomacy. The key aspects are not administrative or technical and therefore cannot, as they have in the past, be "left to the administrators." Nor can they be turned over to high-priced outside consultants who may know technology and analytic techniques but who know little of foreign affairs. The full involvement of substantive officers of the Foreign Service is an absolute requisite to any thoroughgoing restudy of foreign affairs processes and so of the application of technology and analytic techniques.

Full involvement of substantive officers would require two levels of participation:

(1) *All* substantive officers should acquire a general understanding of computer operations and systems analysis techniques and

(2) *A few* substantive officers should be extensively trained in these techniques so that they can serve as liaison between the outside experts who have had little experience in foreign affairs and the experienced foreign affairs officers who have little knowledge of the technical fields of computers and systems analysis.

When the extensively trained individuals return from training, they must be utilized. The present organizational structure does not provide adequately for their utilization. As initial steps, some expansion of positions in the SIG, the IRG's, and policy planning would seem the most appropriate place for their services. They would then be in a position to work with the policy officers in the regional and functional bureaus. Hopefully, they would be able to demonstrate the value of their services as they applied analytic and quantitative techniques to specific operational and planning problems. The CASP (Country Analysis and Strategy Paper) and PPBS (Planning, Programming and Budgeting System) exercises are obvious areas where such services would now be useful. As the value of these services is demonstrated, the prestige associated with such expertise will also increase. The relatively low status now afforded experts in these areas is a major deterrent to much needed reform within the State Department and has resulted in an unfortunately low priority for such activities in the Department's internal budget allocations.

Management Phases

The Committee has postulated three key management phases of the processes of foreign affairs, each one containing several presumed areas, or problems, which require a thoroughgoing study. The breakdown is arbitrary. No clear delineation can be made of the several phases. The groupings are logical, not chronological, but the Committee believes they form useful categories for a systems analysis, i.e., they provide a basis for the systematic identification of the processes of foreign affairs which in turn will hopefully point the way to improvements in the system.

I. Policy Development

The policy-making processes in foreign affairs.

II. Resource Development and Organization

Obtaining and organizing the personnel, funds, information, institutional structures, and related intangible resources used in foreign affairs processes.

III. Policy Execution

The policy-implementing processes in foreign affairs.

These categories are not mutually exclusive, e.g., the policy decision makers must determine, *inter alia*, the quality and quantity of the resources to be developed, and many policy decisions are inevitably made during the processes of policy execution.

The Committee has also identified 15 clusters of functions which are descriptive of the types of activities now being conducted in the field of foreign affairs. These functions are related to the three management phases as follows:

I. Policy Development

1. Research and Analysis
2. Policy Planning
3. Resource Budgeting
4. Policy Direction and Coordination
5. Evaluation

II. Resource Development and Organization

1. Personnel Recruitment and Training
2. Financial Budgeting (Appropriations)
3. Management Development
4. Information Systems Development

5. Intelligence Collection
6. Public Affairs (non-government resources)

III. Policy Execution

1. Diplomatic Operations
2. Consular Operations
3. Execution of Resource Programs
4. Administration (Housekeeping)

I. Policy Development

This group of processes has as its common theme the determination of policy in foreign affairs. The various processes involved in policy development may be described as follows:

1. The Research Process

Research in foreign affairs is an ill-defined function. Any background study, any presentation of the facts and considerations on a foreign policy subject can and usually does involve an assemblage of material and an analysis which can be described as "research." Traditionally in the government, however, research is associated with detached, non-policy officers making "in-depth" studies and estimates of emerging situations. It includes also the marshalling of private and university analysis and study in the foreign affairs field. In fact, however, operational elements of government also are finding it increasingly essential to carry on research, often, but not necessarily, in less depth, to be better equipped to make operational decisions. Within the Department this would be true, for example, of current studies within the Economic Bureau relating to tariff and trade structures and balance of payments developments and programs.

Clearly such research activity has an important stake in other processes in foreign affairs. Moreover, many techniques associated with research activity cannot be called "technology." Those techniques which do fall under "technology" and may be useful to the research process include:

- computer—computational application (statistics, arithmetic processing)
- computer—modelling and gaming (political and economic; prediction)
- computer—content analysis, scanning, communication flows
- computer—information sorting, compilation
- modelling and gaming—non computer
- factor analysis
- predictive techniques—probability theory, Bayes theorem, decision theory

2. Policy Planning

The planning function in foreign affairs, unlike business, military and other governmental activities, is not a clearly delineated separate process. Policy Direction, Resource Budgeting and Policy Execution inescapably partake of "planning." Nevertheless, separable effort is put directly on the longer-range defining of objectives and aligning courses of actions and programs in what can be viewed as a planning process.

Technology and analytic techniques may be used in this process:

- Predictive techniques, probability theory, decision theory;
- Quantitative analysis techniques, factoring;
- Modelling and gaming (non-computer);
- Computer—modelling and gaming.

3. Resource Budgeting

Economic and military aid, cultural affairs, and information services all involve an allocation of resources for expenditure in foreign areas in pursuit of foreign policy objectives. They may thus be distinguished from diplomatic, representational, or negotiating efforts which do not directly involve allocation of resources. Each program represents a different process, but together they have in common the need to allocate resources effectively and expend them efficiently. The CASP and PPBS programs are efforts to make the various resource budgeting processes more systematic and internally consistent. Specific techniques include:

- computer—factoring
- optimization techniques, linear programming
- quantitative analysis techniques.

4. Policy Direction and Coordination

Policy direction, a process in foreign affairs also difficult to separate out from other processes, involves the day-to-day decisions which culminate in action recommendations, e.g., instructions to the field, public positions or diplomatic operations. A very important aspect of policy direction is coordination—the staff work which assures the participation in the presentation of facts or recommendations from different offices and agencies as well as Congress and private groups which play a role in US foreign policy processes. The coordination responsibility in policy direction also involves, from the

process standpoint, the pulling together of courses of action and resource allocations for many programs in pursuit of over-all objectives.

No technological methods are directly pertinent, although information and analyses obtained from other processes are vital to the policy direction process,* and the establishment of appropriate management systems is essential to effective policy direction.

5. Evaluation

The evaluation process includes (1) systematic analyses of the results of the various foreign affairs processes in the light of foreign policy objectives, and (2) the dissemination of the conclusions drawn from these analyses to the individuals responsible for policy planning, resource budgeting, and policy direction. The evaluation process thus provides an essential information input for policy development. Additional quantitative analysis techniques could be applied to improve existing evaluation methods particularly in areas involving resource budgeting.

II. Resource Development and Organization

This category of activities is logically placed between policy development and policy execution and provides the means whereby policies are converted into effective action. The growing scope and complexity of matters which policy must encompass make it essential that applicable technology be identified and employed to the maximum possible extent. The executives who have responsibility for this category of operations must have the support and appreciation of senior policy officials, however, if the introduction and utilization of modern technology is to have its proper role in foreign affairs.

1. *Personnel Recruitment and Training.* The following sub-processes constitute the foreign affairs personnel system: selection, assignment, training, promotion, and retirement. The processes of selection and training are particularly pertinent to the management phase concerned with resource development.

Selection of personnel requires a systematic identification of the qualifications required for proper performance in the various processes of foreign affairs and similarly systematic identification of individuals who, either presently or potentially, have these qualifications and also have the requisite motivation. The training process converts potentially qualified individuals into actually qualified personnel. No detailed inventory of substantive requirements now exists. Technology which can assist these two personnel processes includes:

Computer: storage of data on individual qualifications and position requirements

Computer: information sorting and compilation

Computer: programmed teaching for specific job skills, e.g., languages, consular operations

Modelling and gaming for training purposes with or without support of computer facilities.

In the broader meaning of technology, foreign affairs will require greater attention to training related to management of people and resources in large and complex programs. Cautious steps have been taken in expanding training in programming and economics and in providing foreign service personnel with an introduction to developments in other behavioral "sciences." The management sciences, however, on which industry and defense have come to rely so heavily, remain virtually undiscovered by the foreign service, and this has impaired our effectiveness particularly in the area of policy execution.

In addition to formal university study, many possibilities exist for additional training in the management sciences for the foreign service. Other government agencies sponsor programs in computers and systems analysis to which foreign service personnel are admitted. Certain private corporations would probably be willing to provide such training free or for a nominal fee in order to gain access to a potential market for their products and acquire prestige for their organizations. Some private foundations are interested in supporting effective programs in the management sciences. These possibilities should be more thoroughly explored.

2. Financial Budgeting (Appropriations)

The budget process assembles management decisions and translates them into budget presentations for action by Congress and subsequently for implementational guidance to policy executors, programmers, and auditors. The PPBS attempts to relate policy objectives more directly and systematically to budget decisions.

The technological input into this process does not differ in kind

*The "coincidence" of personnel in positions of Policy Direction also being those responsible for leadership and management makes it a prime requisite that they be intimately familiar with the techniques involved in each of the other processes, but notably, Information Systems, Policy Execution, and Policy Planning.

from that in resource budgeting and policy evaluation at one end, and accounting, payroll, and auditing at the other end, of the foreign affairs process, i.e., machine processing of quantitative information by operations involving storage, retrieval, and analysis. PPBS experience, however, has given us various techniques which may have some relevant applications in the field of foreign affairs.

3. Management Systems Development

The management process should be defined to include the highest order of executive and foreign policy skill. The Ambassador then is the principal manager of the country team. Effective management in any but the smallest of organizations requires sound management systems. In the Department of State management has been traditionally associated with the housekeeping functions, and inadequate attention has been paid to the development of effective management systems in the area of substantive activities. The service gives considerable effort in the assignment and training process to traditional foreign policy skills and has recently increased its emphasis on economics. The systematic identification and development of executive skills required for the management of large numbers of people and utilization of resources remain underemphasized. The Department has periodically employed consultants to advise on management problems but a definite need exists for greater awareness of management methods among the substantive officers of the regional and functional bureaus and in our missions overseas. Such an awareness would in turn lead to the establishment of improved management systems in those bureaus.

Improved management systems would ease the excessive burdens now placed on the senior officers of the Department and make better use of the skills and specialized experience of more junior officers, particularly in crisis situations.

4. Information Systems Development

This process can be described as involving the development of techniques for (a) the prompt communication of information between individuals and elements of the foreign affairs community to assure thorough need-to-know dissemination both laterally and vertically, (b) presentation of information in the most useful form for those needing to employ the information being communicated, and (c) assuring optimum feedback of results through the system for use in adjusting the policy, implementational, and record-keeping processes while at the same time minimizing unnecessary or distracting information flows.

In this area very extensive technological resources are available:

(a) In *transmission* of messages the Department already employs the ultimate in current computer technology, with further development in this area on the way; (b) in *storage, retrieval, and distribution* highly advanced computer technology is available; at this stage it is employed mainly in housekeeping and consular functions although limited use of the new techniques is being made in the intelligence and public information areas. More internal resources should be devoted to the development of an efficient machine storage/retrieval system for substantive information. (c) *Information presentation* is an aspect of machine technology which is in its infancy relative to other aspects of the science. Operations and information rooms such as DOD employs are prototypes of facilities which the foreign affairs community might one day employ to provide comprehensive graphic and constantly up-dated presentations of the foreign affairs scene. Such facilities would also provide feedback from abroad to be used for evaluation and modification of policies and programs.

Appendix A provides an assessment of the present state of information systems technology within the Department of State.

5. Information Collection

Information of various types is a primary resource for foreign affairs processes. A variety of technology is now applied to information collection, but there is a need for a better feedback mechanism to guide the efforts of those participating in the information collection process. More effective two-way communication with the end users of information would not only tend to eliminate information of marginal value but also improve the relevance and timeliness of current information collection efforts. An improved information system would provide this feedback through the establishment of user information profiles.

6. Public Affairs

This process involves dialogue with the citizenry of the United States both for purposes of (a) informing the public on all aspects of foreign policy and foreign affairs, (b) developing awareness in the foreign affairs community of public viewpoints and sensitivities on

foreign affairs issues, and (c) enlisting support of private resources such as universities citizens' groups, and private corporations in carrying on foreign affairs activities.

Potentially there are significant technological resources available for use in this area. As a practical matter their availability to the foreign affairs community probably depends on access to facilities not financed by the foreign affairs community itself. Development of externally financed public opinion polls, growth of educational television facilities, and extension of public affairs programming by communications media all extend the opportunities of the foreign affairs community to carry on this process independent of any direct investment in technology. At the same time, probably, much more can be done to carry out jointly with industry, private foundations, or citizens' groups the development of public affairs materials which will serve this public affairs process. In addition, greater use could be made of computer facilities to catalogue and describe the private resources available for use in attaining specific foreign policy objectives.

III. Policy Execution (Resource Utilization)

Considerable use is already being made of technology in relationship to the more routine administrative and consular operations; more effective use is possible. The Committee has not identified technology applicable to the less tangible, "diplomatic" aspects of policy execution. It recommends, however, that further search and study be devoted to relate technology/systematic analysis to policy-resource program-execution activities, particularly as techniques are developed or identified for planning, evaluation, and other related activities covered under categories I and II above.

Under Category III, the Committee considered the following activities:

A. *Diplomatic Operations*: those functions in the field and in Washington involving representation and negotiation. No special technology or analytic techniques are useful to this activity.

B. *Consular Operations*, involving essentially *passports, visas*, and protective and other services for Americans abroad. Technology in support of these activities includes: computer—storage (name and quota information).

C. *Execution of Resource Program*. Ideally, the procedures for field application of programmed resources (economic and military aid, cultural exchange projects, and informational activities) will facilitate not only bookkeeping-type accounting but also meaningful evaluations of program impact and effectiveness. The Program Evaluation Review Technique (PERT) developed in certain defense industries should be used more widely in carrying out resource programs. Technology and/or management techniques used in resource program execution should relate closely to those employed in the evaluation process under policy planning.

D. *Administrative Services*. The Committee recommends that consideration be given to establishing a comprehensive, interagency management information system to encompass, *inter alia*, data on all the physical resources and facilities available for administrative support of the foreign affairs community both within the US and abroad. This system should embrace information on the following functional or service operations, for some of which special technology is also applicable:

1. *Physical Plant and Supplies* (buildings, furnishings, equipment, etc.)

2. *Accounting and Payroll Services*. These activities can make ample use of technology:

computer—business data processing
computer—information sorting, compiling

3. *Communication and Related Support Services*. These activities can use extensively the advanced technology in the communications field, notably in the sophisticated facilities for transfer and display.

4. *Personnel Operations*. In addition to recruitment and training (included under Category II above), the following sub-processes make up the personnel system for foreign affairs:
assignment; promotion; termination.

The Report of the Subcommittee on Manpower Utilization and Planning points out the desirability of designing systems for an automated data bank which would hold current, comprehensive, and accurate facts about the personnel of the foreign affairs community and about positions of the agencies concerned. Computers can be useful in:

information storage (biographic and job data)
information sorting and compilation

APPENDIX A

Summary Inventory of Department Use of Computer and Business Systems Technology

The Department has employed modern technology both intensively and extensively in the housekeeping and consular fields, but has far to go in the area of substantive information systems.

A. Present facilities

1. The Department has a specially designed and very modern automated terminal station system for the transmission, receipt, and initial processing of communications between the Department and its outlying missions. This facility, which was designed and produced by International Telephone and Telegraph handles an enormous volume of traffic efficiently. This facility functions within the Office of Communications under the Deputy Under Secretary for Administration.

2. The Department also employs advanced computer technology, centered around an IBM 360/40 central processing unit, which operates under the direction of the Automated Data Processing Division, Office of Operations, which in turn is under the Deputy Under Secretary for Administration. This facility serves almost exclusively what might be called housekeeping functions: (a) payroll and financial accounting; (b) personnel records and information systems; (c) visa and passport data storage and retrieval (including remote communication links with passport and consular offices throughout the United States and border stations which provide almost immediate checks on visa and passport records); and (d) security record storage/retrieval and information systems.

There are also two minor programs of special nature carried on by this facility which are also basically of the housekeeping category but approach substantive information systems somewhat more closely. These are information storage-retrieval operations conducted on behalf of (a) the Bureau of East Asian and Pacific Affairs—permitting quick access to and analysis of machine-stored records on Vietnam; and (b) a limited data storage-retrieval program being developed and conducted for the Bureau of Intelligence and Research.

While the technology being used in the preceding activities is very modern and from all indications is being used very efficiently, this facility is already overloaded with housekeeping work. The Department presently contracts with an outside computer facility which is highly compatible with the Department's computer configuration. This outside facility apparently supplements by approximately one-fourth to one-third the in-house capability.

This summary inventory does not encompass AID and USIS facilities, but it appears that they employ their own separate facilities and that there is no present consideration to developing common facilities. With present facilities already overloaded, there would seem to be no immediate advantage to working toward common operations. Eventually, however, compatibility of the systems in the several major agencies concerned with foreign affairs will be a prerequisite for efficient foreign affairs processes.

3. Substantive information systems. A great deal of study and effort have been devoted to the feasibility and design of substantive information systems for the Department of State, including preparation of extensive study documents. This work is being done by the Substantive Information Systems Staff (SNS), which functions under the Deputy Assistant Secretary for Organization and Management. While the technology available in this field is enormous, the value of such technology in particular applications is difficult to prove with dollar cost/benefit evidence. Progress in institution of substantive information systems in the foreign affairs community has been limited because of skepticism by senior officials and by budgetary constraints which normally fall with most weight on new and unproven undertakings.

Primitive beginnings are nevertheless being made in this field. The INR operation mentioned previously is a step in this direction. The Bureau of Economic Affairs, which ultimately subsists on statistics and statistical analysis in a qualitative sense as much as payroll and accounting do in a more quantitative sense, is working toward limited and elemental applications of computer technology, mainly using facilities outside of the Department, often provided gratuitously.

B. Planning and Development Efforts Underway

1. *Data distribution.* The quantum leap forward in Department-field communications with introduction of the automated terminal station has facilitated an enormous expansion of communications traffic which swamps the facilities available to carrying out Departmental distribution. To overcome this problem, a major effort has been proposed by SNS to develop a machine index language to be used to permit distribution, storage, and retrieval according to a sufficiently detailed breakdown of subject matter to permit pinpoint distribution by very specific subject to interested officers, rather than the sort of general subject area distribution which now floods each office and limits the value of information flows by its sheer insurmountable mass. It may well be one, two, or several years before improved indexing can be instituted. Only then can broad progress be made toward obtaining a Department-wide automated storage-retrieval system.

2. *Housekeeping.* Almost all sectors of the Administrative area which now employ intensive computer technology are seeking to improve and extend their computer applications. The ADP Division is able gradually to assist them as programmer time is available, but budgetary limitations keep progress to a slow pace.

3. *Substantive information systems.* The Department has had considerable valuable talent available to it from outside specialists on limited employment status. These specialists have done valuable path-breaking work in study of applications and broad design of substantive information systems. The value of this work, however, is in continuous danger (a) because the SNS program is periodically faced with elimination, (b) because within the tight budget restrictions so little has been attempted that the effort has not had an opportunity to prove itself, and (c) because the graft of temporary outside specialists has not yet taken the form of development of career officers who can assume responsibility for advancing the design and implementation of substantive information systems on the foundation being established by these temporary specialists.

As of now, the SNS Program is making tangible progress in more sophisticated applications in the substantive information field only on initiatives by substantive areas of the Department in seeking their assistance on specific programs of limited scope. For the near term, given present budgetary limitation and lack of emphasis by senior Department officials, the SNS program appears to have its hands full with the much more elemental process of improving distribution, storage and eventually retrieval of substantive information.

Despite the difficulties faced by the SNS Program, there is a barely perceptible ground swell of interest and effort being given to this field which should provide support for future acceleration of SNS. As younger officers have increasingly come into contact with the benefits of computer applications in university study and uses by sister government agencies, there has been increasing interest in substantive applications by officer and training personnel. The Foreign Service Institute has been providing increasingly valuable assistance to interested officers by directing them to training programs available outside the Department and more recently by instituting a brief experimental course providing exposure to the potential applications, advantages, and pitfalls of computer applications to substantive operations.

Annex B

PROCEDURES FOR OVERSEAS INTERDEPARTMENTAL MATTERS

Annex B (1)

[Weekly Compilation of Presidential Documents, Monday, March 7, 1966, Vol. 2, No. 9]

White House Announcement of New Procedures for Overseas Interdepartmental Matters, March 4, 1966

The President today discussed with his Cabinet and other high

officials a new procedure, which he has approved, for the purpose of modernizing and streamlining the executive branch of Government in the conduct of foreign affairs.

In order to assist him in discharging his responsibility for the

conduct of foreign affairs, the President has directed the Secretary of State, as his agent, to assume responsibility to the full extent permitted by law for the overall direction, coordination, and supervision of interdepartmental activities of the United States Government overseas (less exempted military activities). Up to now, the Secretary of State, assisted by the regional Assistant Secretaries, has performed a coordinating function in interdepartmental matters abroad. Now he has received formal and specific overall directive authority from the President. While the term "interdepartmental matters" has not been specifically defined, in the present context it covers those activities abroad involving more than a single department or agency, or which is of such a nature as to affect significantly the overall US overseas program in a country or region.

To assist the Secretary of State in this new role, there will be a permanent interdepartmental committee, called the Senior Interdepartmental Group (SIG), with the Under Secretary of State as its "Executive Chairman." The latter term is used to describe a chairman who has the authority and responsibility to decide all matters coming before his committee, subject to the right of any member to appeal from his decision to higher authority. This is an important provision which makes the difference between the normal committee and an incisive, decision-making body.

The other regular members of the Senior Interdepartmental Group are: the Deputy Secretary of Defense, the Administrator of AID, the Director of CIA, the Chairman of the Joint Chiefs of Staff, the Director of USIA, and the Special Assistant to the President for National Security Affairs. The Chairman will invite representatives of other departments and agencies when they have an interest in the matters under consideration.

The Senior Interdepartmental Group will function as a focal point for decisions and actions on overseas interdepartmental matters which are referred to it by the Secretary of State or by an Assistant Secretary of State, or raised by the action of an individual member. Any department or agency not a member may also raise matters for action by the Group.

Beneath the Secretary of State and the Senior Interdepartmental Group, the regional Assistant Secretaries of State will occupy impor-

tant focal positions in the channel of responsibility for overall direction, coordination and supervision of interdepartmental matters in the regions of their responsibility. The Assistant Secretaries will serve as Executive Chairmen of Interdepartmental Regional Groups (IRG), analogous in membership and responsibilities to the Senior Interdepartmental Group. They will work closely with U.S. Ambassadors and the country teams abroad and will assure the adequacy in their regions of U.S. policy, plans, programs, resources, and performance. It is at this level that the volume of work will be done, leaving for the Senior Interdepartmental Group only the major problems. As in the case of the Senior Group, the new arrangements are for the purpose of expediting decision and action.

Thus, the overall purpose of the changes directed by the President is to formalize relationships and clarify responsibilities in the conduct of our overseas business, operating within the framework of existing law. This action does not affect in any way the statutory responsibilities of any of the key Government officials involved or their relations with Congress. For example, the Public Law 480 (Food for Freedom) program will remain the responsibility of the Department of Agriculture. In establishing the Senior Group and the Regional Groups, it creates a regular meeting place for the key officials involved in overseas activities and assures decisive action by giving unusual authority to the "Executive Chairman." These meetings also assure the departments and agencies primarily involved in overseas affairs a forum in which all views can be expressed in advance of decisions. The departments and agencies with an occasional interest will be invited to attend these meetings when there are matters affecting them on the agenda, or they may propose matters for the agenda. In any case, their representative will have the same rights as the regular members when their business is being considered.

While these procedures are not for the purpose of injecting some kind of automaticity or production-line quality into the handling of overseas affairs, they will, it is hoped, bring greater method into the conduct of foreign affairs, permit a sharper and more rapid focus of the efforts of several departments on complex overseas problems, and assure that no sector of the foreign front is neglected at a time of preoccupation with some overriding problem.

Annex B (2)

[Department of State Bulletin, March 28, 1966, Vol. L.IV, No. 1396]

Secretary of State Dean Rusk's Message to His Colleagues in the Department of State and Abroad, March 4, 1966

The President has assigned to me and the Department of State additional responsibility for the overall direction, coordination, and supervision of the interdepartmental activities of the United States Government overseas. This assignment extends to the limits permitted by law and covers all operations of the United States Government abroad except U.S. military forces under area military command and such other military activities as the President may elect to conduct through military channels. The President's directive also established a systematic mechanism for considering the views of other agencies involved in our activities abroad, and for reaching decisions promptly. This responsibility will be discharged in Washington primarily through the Under Secretary and the regional Assistant Secretaries of State. They will be assisted by interdepartmental groups of which they will be executive chairmen with full powers of decision on all matters within their purview. Thus the Department, and the regional Assistant Secretaries with respect to their geographic areas, will exercise leadership functions and responsibilities at the seat of Government similar to those delineated for Ambassadors within the countries of their assignment by the President's action of May 1961.

In accepting these expanded duties, I have assured the President that the Department will be organized and manned to perform them effectively and expeditiously. I have also assured my colleagues in the Cabinet that their interests and needs that relate to activities abroad will receive careful and sympathetic consideration.

To enable us to discharge our enlarged responsibilities efficiently, I have today directed certain organizational changes be undertaken systematically within the Department.

The Under Secretary and other designated officers of the Department will proceed immediately to strengthen our capability to meet this new challenge and to establish, through prescribed interdepartmental groups and other means, the interdepartmental working relationships essential to achievement of the President's objectives.

No organizational chart can substitute for the abilities and attitudes of people. Our job requires the exercise of exceptional qualities of leadership and demands that officers working on country and regional matters apply an overview of wisdom and judgment that transcends bureau or departmental interests and focuses on the needs and purposes of the United States Government as a whole in its relationships with other nations. They will be dealing with difficult multiple-agency and Government-wide issues of policy, the planning and control of programs, and the distribution of resources. Their tasks will encompass not only the anticipation and management of crises but the handling of day-to-day operating problems and the orderly promotion of the objectives of our Government with such responsibilities. There can be no room for parochial viewpoints or petty bureaucratic "in fighting." Each of us must recognize that at all times we are, in a real sense, acting for and on behalf of the President, and through him, serving all the people of the United States.

I particularly hope that the new and increased responsibilities given to the geographic Assistant Secretaries and the gradual establishment of the new positions of "Country Directors" will enable us better to serve both the President and our missions abroad. I look to the Country Directors to assume full responsibility, under their Assistant Secretaries, for all activities in the country or countries assigned to them, and to be single focal points in Washington to serve our Ambassadors. In a sense, we are applying the valuable experience that has been gained in the operations of country teams abroad to operations here in Washington.

I wish to assure all the Assistant Secretaries that the formation of the Senior Interdepartmental Group will not reduce their access to me. Indeed, I would hope that the work of the SIG would make it possible for problems to come to me more systematically than in the past.

I know that all of you will share with me a deep resolve to justify the confidence in the Department which the President has manifested by his directive today. Our job is to serve the interests of the United

States. Our paramount concern is always the safety of our nation—in familiar words “to secure the Blessings of Liberty to ourselves and our Posterity.” We know that it is no longer possible to find security apart from the rest of the world—that we must work incessantly toward a safe environment, toward a reliable peace in which all men can enjoy a better life. In working toward that goal we serve not only our own deepest interests but those of all other peoples who want freedom, progress, and peace.

Annex B (3)

Department of State Foreign Affairs Manual Circular Number 385, March 4, 1966

SUBJECT: DIRECTION, COORDINATION AND SUPERVISION OF INTERDEPARTMENTAL ACTIVITIES OVERSEAS

1. Authority and Responsibility of the Secretary of State

To assist the President in carrying out his responsibilities for the conduct of foreign affairs, he has assigned to the Secretary of State authority and responsibility to the full extent permitted by law for the overall direction, coordination and supervision of interdepartmental activities of the United States Government overseas.

2. Activities Not Included

Such activities do not include those of United States military forces operating in the field where such forces are under the command of a United States area military commander and such other military activities as the President elects to conduct through military channels.

3. Definition of “Interdepartmental” Activities

Activities which are internal to the execution and administration of the approved programs of a single department or agency and which are not of such a nature as to affect significantly the over-all U.S. overseas program in a country or region are not considered to be interdepartmental matters. If disagreement arises at any echelon over whether a matter is interdepartmental or not in the meaning of this circular the dissenting department or agency may appeal to the next higher authority as provided for in the following paragraph.

4. The Concept of Executive Chairmen

The Secretary of State will discharge his authority and responsibility primarily through the Under Secretary of State and the regional Assistant Secretaries of State, who will be assisted by interdepartmental groups of which they will be executive chairmen, i.e., with full powers of decision on all matters within their purview, unless a member who does not concur requests the referral of a matter to the decision of the next higher authority.

5. The Senior Interdepartmental Group (SIG)

To assist the Secretary of State in discharging his authority and responsibility for interdepartmental matters which cannot be dealt with adequately at lower levels or by present established procedures, including those of the Intelligence Community, the Senior Interdepartmental Group (SIG) is established. The SIG shall consist of the Under Secretary of State, Executive Chairman, the Deputy Secretary of Defense, the Administrator of the Agency for International Development, the Director of the Central Intelligence Agency, the Chairman of the Joint Chiefs of Staff, the Director of the United States Information Agency, and the Special Assistant to the President for National Security Affairs. Representatives of other departments and agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman. Such other departments and agencies may raise matters for consideration of the SIG.

The Chairman of the Senior Interdepartmental Group (SIG) may designate the Under Secretary for Economic Affairs or the Deputy Under Secretary for Political Affairs to chair the SIG in the Chairman's absence.

The SIG will assist the Secretary of State by:

- a. ensuring that important foreign policy problems requiring interdepartmental attention receive full, prompt and systematic consideration;
- b. dealing promptly with interdepartmental matters referred by the Assistant Secretaries of State or raised by any of its members, or, if such matters require higher level consideration, reporting them promptly to the Secretary of State for appropriate handling;
- c. assuring a proper selectivity of the areas and issues to which the

United States Government applies its resources;

d. carrying out other duties and responsibilities of the Special Group (counterinsurgency), which has been abolished;

e. conducting periodic surveys and checks to verify the adequacy and effectiveness of interdepartmental overseas programs and activities.

The SIG will encourage interdepartmental action and decision-making at the Assistant Secretary level to the greatest extent possible.

The SIG will meet in the Department of State regularly and specially at the call of the Chairman.

The Chairman will be supported by a full-time staff headed by a Staff Director who will also serve as the Special Deputy Executive Secretary of the Department. Staff personnel will be furnished on the Chairman's request by the departments and agencies represented on the SIG. The Chairman may request departments and agencies to designate a point of contact for the Staff Director on matters affecting their interests.

The Staff Directors of the Interdepartmental Regional Groups will assist the Staff Director of the SIG as he requires by providing staff support on regional matters of interest of the SIG.

6. The Interdepartmental Regional Group (IRG)

To assist the Assistant Secretaries, an Interdepartmental Regional Group (IRG) is established for each geographic region corresponding to the jurisdiction of the geographic bureaus in the Department of State. Each IRG shall be composed of the regional Assistant Secretary of State, Executive Chairman, and a designated representative from Defense, AID, CIA, the Organization of the Joint Chiefs of Staff, USIA and the White House or NSC staff. Representatives of other departments and agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman.

The regional Assistant Secretaries, in their capacities as Executive Chairmen of the IRGs, will ensure the adequacy of United States policy for the countries in their region and of the plans, programs, resources and performance for implementing that policy. They will be particularly watchful for indications of developing crises and when such matters require higher level consideration, will recommend appropriate measures to higher authority for dealing with emergent critical situations in their regions.

A regional Assistant Secretary may designate a Deputy Assistant Secretary to chair the IRG in the Chairman's absence. IRG meeting and staff procedures will be patterned on the SIG.

7. Interdepartmental Leadership and Coordination of Country Matters

A new position of Country Director will be established in the regional bureaus to serve as the single focus of responsibility for leadership and coordination of departmental and interdepartmental activities concerning his country or countries of assignment. In particular he will:

- a. provide continuing departmental and interdepartmental leadership in planning, coordination and implementation of decisions.
- b. raise specific matters for consideration by the IRG, and bring detailed knowledge to IRG discussions when so requested;
- c. serve as the base for crisis task force operations as necessary.

The Country Director will be responsible for seeing that the Ambassador's needs are served both within the Department and government-wide. He will ensure that the mission is fully supported in the full range of its requirements: policy, operations and administration.

Each Country Director will organize and develop such contacts, channels and mechanisms as are appropriate to and necessary for full interdepartmental leadership on country matters, and for full support

to the Assistant Secretary.

To assist in providing guidance and direction to the Country Director, the Assistant Secretary will have one or more Deputy Assistant Secretaries whose areas of responsibility will be defined by

the Assistant Secretary.

Positions of Office Director and officer-in-charge will be abolished as the transition is made to the establishment of Country Director positions.

Annex B (4)

[© *Foreign Service Journal*, May 1966, Vol. 43, No. 5]

New System for Coping With Our Overseas Problems*

By General Maxwell D. Taylor
(Special Consultant to the President)

President [Alexis] Johnson, ladies and gentlemen of the Association: Alex's very kind introduction to me, unnecessarily considerate, was most appreciated. I am so glad to read in the paper that he is going to be around Washington for a long time; perhaps he will introduce me at some other occasion. With regard to my address today, his suggestion was that I take this opportunity to give a sort of autobiographical account of NSAM 341 and its background. I am very happy to do it if you will excuse the occasional use of the first person pronoun, because what I propose to do is simply to tell you how this project developed as I saw it.

I am sorry to sound an inauspicious note when I say that insofar as I am concerned NSAM 341 really had its origin in the "Bay of Pigs" experience. You may recall that following the collapse of the beachhead, April 17, 1961, several of us were asked by President Kennedy to appraise the operation and tell him what had gone wrong. This group included his brother Bob Kennedy, Allen Dulles, Arleigh Burke and myself. In our final report to President Kennedy, we pointed to a number of shortcomings, among them, the organizational deficiencies in Washington which made it difficult for the President to control a complex, interdepartmental operation such as the "Bay of Pigs." We indicated the kind of organization which would be necessary if we were ever tempted to engage again in so involved an operation.

The organizational concept which we suggested called for a permanent committee with the title Strategic Resources Group, reporting to the President, capable of directing the use overseas of the resources of several departments. Whatever its intrinsic merits, the suggestion was not received with any great enthusiasm, primarily because it seemed to suggest the United States might want to undertake another Bay of Pigs type of operation, and that was not an appealing thought in 1961. However, the concept of having a permanent steering group of very senior officials who controlled all the resources of the principal departments engaged in overseas activities remained alive and reappeared in January, 1962, when President Kennedy approved the constitution of the so-called Special Group for Counter-Insurgency. This was really the Strategic Resources Group under a different name, with a slightly different membership and with a more restricted objective.

Now for those of you who are not familiar with the Special Group, I will review its mission and composition. It was established to assure the unity of effort and use of all resources required to prevent and resist subversive insurgency. That was the overall purpose. More specifically, it was to assure recognition throughout the entire Federal Government that subversive insurgency or the "War of Liberation" is a major form of political-military conflict equal in importance to conventional warfare; and to verify that all Departments give appropriate attention to counter-insurgency in their training programs in order to form the leadership necessary to carry forward in this field. A third objective of the Group was to verify the adequacy of departmental resources to cope with "Wars of Liberation" in the future. Finally, the Group was directed to keep an eye on certain selected countries—countries designated by the President and to verify the adequacy of the interdepartmental programs in these countries which were given this special attention because they were either under subversive attack or seemed exposed to that threat.

The original membership of the Special Group consisted of the Military Representative of the President as Chairman, the Attorney General, the Deputy Under Secretary of State for Political Affairs, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of

Staff, the Director of CIA, the Special Assistant to the President for National Security Affairs and the Administrator of AID.

This Group has been meeting regularly since early 1962 with only slightly changed membership. I would say that its record has been a very honorable one. Many things were started under its direction. The impact on the education programs which it initiated throughout the government has been very great. It created a new realization of the problem of coordinating overseas efforts in the US Missions. It has been responsible for the development of Internal Defense Plans in certain sensitive countries. But as time went on, I think that most of the members of the Group found that it was much harder to follow up on these programs than it had been to initiate them. Hence, the general feeling grew that the mission of the Special Group should be reviewed and perhaps revised.

I returned from Saigon in August of this last year, at which time the President asked me to review all of the activities of our Government in the counter-insurgency field, both at home and abroad, and to make appropriate recommendations. I received authority from the White House to ask for the constitution of four interdepartmental committees: One, to examine matters of organization, doctrine and programming headed by Ambassador Bonsal; a second committee to examine training; a third committee to evaluate resources, their availability and use; and the fourth to look into the broad questions of intelligence bearing upon counter-insurgency. These committees worked very hard and very effectively for two months and gave me their reports on the first of December, after which I prepared my recommendations to the President.

What I am going to comment on today is only that part of my recommendations which bear upon NSAM 341—the direction, supervision and coordination of interdepartmental affairs overseas.

Having been asked to look into governmental effectiveness in the field of counter-insurgency, those of us involved soon felt that our directive was too restricted; since counter-insurgency literally means resistance to an insurgent movement, and obviously the last thing that we should want is to find ourselves in that kind of defensive situation. It seemed to us that we should give priority to the prevention of subversive insurgency and emphasize what should be done to improve preventive measures including the early detection of symptoms.

The next question is, where do you look for the symptoms of subversive insurgency? The answer is that they are found in virtually every emerging country in the world. Subversive insurgency is encouraged and fomented by conditions of poverty, of backwardness, of poor government, of lack of education, all of which are conditions one finds in most of the 90-odd emerging countries. Hence, one concludes that any organization adequate to meet the requirements of anticipating subversive insurgency must observe and evaluate continuously the conditions in some 90 countries of the world. At this point, one begins to question the wisdom of setting up a special organization study of two-thirds of the population of the world and of ignoring the remainder. Should we not recognize that the basic organizational requirement is really crisis anticipation and crisis management wherever found? This was the line of reasoning which I felt impelled to follow and it was in that spirit that I made the recommendation which later resulted in Presidential approval of NSAM 341. In case you do not identify the document by that designation, its text was published in the Foreign Affairs Manual as Circular No. 385, dated March 4, 1966.

I was surprised when I started inquiring into the overseas authority of the Secretary of State to find how little specific authority he had for the management of interdepartmental business. In contrast, an Ambassador with authority derived from the letters of three successive Presidents (the last being President Kennedy's of 1961) is clearly the number one man in his country. He has overall coordination and supervisory responsibility for all US programs. However, I

*Speech to the American Foreign Service Association, March 31, 1966.

have found no assignment of directive responsibility to him. That word, "directive," apparently was deliberately omitted from the Presidential letters. Nonetheless, I think as a practical matter as you experienced Foreign Service officers know better than I, that a strong Ambassador with his present authority clearly runs his Country Team and directs the overall US program.

But here in Washington, we have never had a single focal point of authority comparable to the Ambassador and his Country Team. The National Security Council was organized with the intention of doing something like this in supporting the President in his discharge of responsibilities in the field of security. But the record shows, I believe, that the National Security Council has not adequately fulfilled the original intent.

In deciding how best to fill this void, I talked to many senior officials about refurbishing the National Security Council. I found virtually no enthusiasm for such a facelifting effort. The general feeling was that the National Security Council had the inherent weakness of being too big and that no President was likely to sit down in such a large group and use it as a forum for deciding major overseas matters. So, in the absence of any desire on the part of our senior officials to overhaul the organization of the National Security Council, it appeared necessary to look elsewhere for organizational support for the President in the discharge of his responsibilities for overseas affairs.

Reviewing the record, I found that the only special authority that the Secretary of State had in this field had been given by President Kennedy rather casually in the public relations release made at the time of the abolition of the OCB and the Planning Board in January, 1961. The language I cannot quote exactly, but it said in effect that the President would look to the Department of State to assume the coordination function which presumably had been done by the OCB. That being the case, it was logical to consider whether we should not give more specific authority to the Secretary of State and the means to carry out this authority or alternatively whether we should set up some new organization, stemming from the President himself, for the conduct of interdepartmental affairs overseas. Personally, I had no difficulty in choosing between these two alternatives. The creation of some new organization under the White House reaching out into all the countries where we have missions abroad did not appeal as being either desirable or practical. The simple way, hence the preferred way, would be to use the structure of the Department of State for the discharge of this additional Presidential function. Thus, it came out in the end, expressed in the following language: "To assist the President in carrying out his responsibility in the conduct of Foreign Affairs, he has assigned to the Secretary of State authority and responsibility to the full extent permitted by law for the overall direction, coordination and supervision of interdepartmental activities of the United States Government overseas." That is the first time the words "overall direction" have ever appeared in defining the responsibility of the Secretary of State overseas and, indeed, goes somewhat beyond the present language of the authority of our Ambassadors.

I would like to repeat again that I view this decision as the act of the President in making the Secretary of State his agent in directing interdepartmental matters overseas. This is not inherently or organically a State Department function. It is something additional. By the same token those other officials of the State Department under the Secretary who are involved, the Assistant Secretaries of State whose role I will mention later, and the Ambassadors overseas all are really wearing a second hat—a Presidential hat—in fulfilling this function.

The only activities excluded from this allocation of responsibility were those which are military and which the President as Commander-in-Chief directs through the channel of command reaching from the President through the Secretary of Defense and the Joint Chiefs of Staff to our overseas commanders.

There had been considerable debate as to what should be understood by the term "interdepartmental activities." The following language was put into the NSAM which I believe expresses quite clearly what is intended: "Those activities which are internal to the execution and administration of approved programs of a single department or agency, and which are not of such a nature as to affect significantly the overall US overseas programs in a country or region, are not considered to be interdepartmental matters." The question arises as to who is going to make the determination of whether an activity is "interdepartmental." The answer is that it will be made by the so-called "executive chairman" about whom I am going to talk in a moment.

In order to assist the Secretary of State in discharging his responsibility, he has been given certain organisms to support him.

The thought was to create in Washington at both the Assistant Secretary and at the Under Secretary level something analogous to the Ambassador and his Country Team so that each regional Assistant Secretary of State would have an interdepartmental committee called the Interdepartmental Regional Group (IRG) and the Under Secretary of State would have the Senior Interdepartmental Group (SIG) as interdepartmental agencies to assist these officials in discharging their interdepartmental responsibilities.

Now I shall talk only about the Senior Interdepartmental Group because the Interdepartmental Regional Groups are merely duplicates of the senior group. The language in setting up the so-called SIG, if we may use abbreviations, reads as follows: "To assist the Secretary of State in discharging his authority and responsibilities for the interdepartmental matters which cannot be dealt with adequately at lower levels or by presently established procedures, including those of the Intelligence Community, the Senior Interdepartmental Group is established." The membership of the SIG is identical with that of the old Standing Group which I have described above, with the exception that the "executive chairman" is the Under Secretary of State. Otherwise, we have as permanent members the same representation from State, Defense, JCS, AID, CIA, USIA. There was considerable debate during the circulation of the draft as to whether this permanent membership was adequate. Obviously other departments have very important overseas business which is often interdepartmental in nature. Take Treasury, for example, or Agriculture. But it was agreed after discussion that these departments do not have regular business and the assignment of a senior official as a permanent member of the SIG is hardly justified. However, the understanding was reached, and it is clear in the NSAM, that the Chairman of the SIG must look after the potential interests of other departments and invite them to provide membership when business affecting them is on the agenda. Furthermore, the head of any agency or department can ask for an item to be put on the agenda and, when that is the case, send a representative who has full rights of membership. Furthermore, the Senior Interdepartmental Group was made the successor to the Special Group for Counter-Insurgency which is now abolished and all the responsibilities established by NSAM 124 now pass to the jurisdiction of the SIG.

Now let me talk about the "Executive Chairman's" role at the SIG and IRG levels. I would certainly not be particularly happy if the end product of the work I have been describing had simply been the creation of six additional Washington committees. Nothing could be more unpromising. But I harbor the hope that the curse of the committee system has been somewhat attenuated by several features which have been built into this new structure. First, as to the membership of the Groups, you can see by the composition of the SIG we have the top man or the number two man of all the major agencies of government regularly involved in overseas business. They must come to the conference table prepared to take a position on all items on the agenda and to commit their department or agency. Moreover, the membership is permanent and each one of these officials is expected to be present for meetings unless he is sick or out of town. Additionally, the Chairman is an "executive chairman." That title is defined as a chairman who has not only the authority but also the responsibility for settling any issue on the agenda of his committee. It means that, in the extreme case, he can have every member of his committee against him but he can say "Boys, this is the way it is going to be unless you utilize your right of appeal." In the latter case, any member can appeal the issue to the next higher authority. In the case of an appeal from the SIG, it would presumably be to the Secretary of State with the right to go beyond him to the President. In a case of an appeal from the Assistant Secretary level, it would be to the SIG. So we have an echelonment of tribunals to which an appeal can be carried. I sincerely believe that with chairmen with that kind of authority many of the delays and compromises which frequently creep into committee business can be avoided.

Let me sum up now what the advantages appear to be in this new arrangement. I feel that, for the first time, we have fixed responsibility for overall managerial guidance and direction of our business overseas. The Secretary of State is responsible, acting for the President. Next I feel that there has been a clarification of relationships. There is no doubt now who is in charge, whence the direction comes and who must be consulted. A very important advantage, I would think, is that we now have several recognized forums in Washington where we should be able to get interdepartmental decisions rapidly. Virtually any senior official can utilize the mechanism either at the Assistant Secretary level or at the Under Secretary level to get his business considered and decided. One of my problems as a military official

used to be, and I am sure the problem is common in every other department in Washington, to get the military voice heard in conference early enough to be effective. Now we have these forums in regular session where it should be easy to inject the views of each of the interested agencies in the early phases of discussion before decisions have been reached. I would think that this would be a great advantage to all participants in interdepartmental business overseas.

I might say, at this time, that in clearing this proposal about town I had anticipated considerable difficulty in obtaining concurrences. To my surprise, I found almost no difficulty. I found that almost every senior official in Washington was most happy to have the Secretary of State given this clear authority. Hence, I am convinced that, at the top level, State will get nothing but cooperation in discharging this added responsibility. As I made my rounds, there was, of course, a very close examination of the fine print in the language of the NSAM. But insofar as the principle was concerned, no opposition whatsoever was raised.

I think this is good news because as we all know organizational changes in themselves have minimal value. I have often said that good organization simply allows good men to do their work better. If, indeed, this is a sound organization, it still will not contribute significantly unless it is accepted happily by the participating agencies—which I believe is the case at this moment. Next, it is essential that all agencies put in first-class players to fill the key slots. This organization will never be any better than the quality of the men who are given the key assignments.

A final advantage which I think I see in this arrangement is the

possibility of coping better with the problems of what has been called the growing multipolarity of power. In recent years many of us would say, I believe, that our bi-polar confrontation with the Sino-Soviet Bloc has ceased to be our sole important preoccupation in international affairs. Instead, we have a diversity of problems in many quarters. There are many troublemakers creating for us many trouble spots around the world. We need built into our executive organization a system which will assure us of watchful eyes looking constantly in all directions and giving warning before we are surprised. Uncle Sam can no longer afford to be a one-eyed Cyclops able to focus attention in only one direction but must have an Argus-eyed capacity to survey the entire international scene. I believe that this organization we have discussed will contribute to that capability for vigilance.

Before I sit down, ladies and gentlemen, I would like to record my feeling this decision of the President recorded in NSAM 341 is a tremendous challenge to the Foreign Service and to the Department of State. As a complete outsider, I obviously had personal bias in this matter but felt that it was the obvious solution which should be given a thorough trial. But it means that State has to perform up to the challenge. You will have to put your best players into the key slots for, in due course, I am sure there will be a review made of what has been accomplished under this system. If, as I hope, performance justifies the concentration of responsibility and authority in State, we are on the right track and a longstanding deficiency in our Federal system has been corrected. If not, the only answer will be to review the decision and find another solution. I have all confidence in my mind that I have before me here many of the men and women who are going to make this system work.

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