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Managing 'the Fudge Factory'

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WASHINGTON, March 24 — As Ronald I. Spiers tells it, he was happily at work as Ambassador to Pakistan when he complained offhandedly to Secretary of State George P. Shultz, who was passing through Islamabad, about the way the State Department was managed worldwide.

The next thing he knew, Mr. Shultz was asking him to return to Washington to become Under Secretary of State for Management. Mr. Shultz's first choice as head of management, a corporate expert in the field, had given up in disgust after less than a year of trying to put order into what has affectionately been called "the Fudge Factory."

The problems of the State Department are so long-standing — inadequate resources, cliquish personnel policies and a pervasive feeling that what most officers do has little impact on foreign policy — that being head of management is viewed by many in the department as an invitation to frustration. Mr. Spiers said he took the job because after complaining to Mr. Shultz "I could hardly tell him I preferred to stay where I was."

Mr. Spiers, a veteran of the Foreign Service, has in recent months begun speaking out candidly about his unhappiness with the state of affairs at Foggy Bottom, and he is quick to say that not much has changed yet. He recently gave a speech to the American Foreign Service Association, the trade union for the State Department, and excerpts from that speech appear in the current issues of the Foreign Service Journal and the State Department's own house organ.

In his view, not only does the State Department not receive enough money to do its job well, but it has failed to manage well the resources it has, namely a dedicated corps of diplomats.

In a way Mr. Spiers may have discovered the wheel. It has long been known that a disproportionate number of competent diplomats had little

to do. Former Secretary of State Dean Rusk complained in the early 1960's that the department had "too many chiefs and not enough Indians."

Mr. Spiers makes the same point when he says: "We have too many senior officers who cannot be placed in jobs appropriate to their rank" and "currently, 40 senior officers are overcomplement" (doing "make-work" jobs). In part, this is because of politics. Since 1981, he says, 23 ambassadorial or other senior assignments have moved from career to

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political appointees. Even the most respected category is not immune. Of 40 career ministers, the absolute cream of the foreign service, seven are without meaningful jobs, he says.

Many officers, particularly those without challenging assignments, complain that despite all sorts of objective criteria that are supposed to be used to rank officers and to select the best for promotion, in the end it all depends on whom one knows in a position of power. An officer may have performed superbly in some far-off embassy, but usually has less chance of getting a top position than does a talented aide to a senior official in Washington.

For instance, it is regarded in the State Department as a passport to a prized overseas assignment to spend two or three years as a senior aide to

a high official. In fairness to those officers, they do put in 18-hour days and long weekends, and the toll on their personal lives is often heavy.

Too often, Mr. Spiers says, assignments depend "more on whom you know than whether you are the best for the job or the job is best for you." The system today penalizes officers "who are less visible to the decision-makers in Washington" and fails to insure "equitable sharing of hardship assignments," he says.

"At the heart of many of these problems is a loss of service discipline that, in my view, arises from a sense that the system is not operating equitably," he said. "I see little chance of restoring esprit de corps and a sense of service until we find ways to restore trust in the system and overcome a feeling that nice guys finish last."

Another major complaint of Mr. Spiers is the lack of funds given to the State Department for its basic job. The budget is about \$2 billion annually, which, as Mr. Spiers points out, is less than one percent of the Pentagon's budget.

Moreover, he says, despite the mystique attached to the Central Intelligence Agency and other clandestine operations, 70 percent of the material in the President's supersecret morning report covering crucial overnight international developments comes from Foreign Service reporting. And yet, in the last decade, there has been an 18 percent cut in the number of people "devoted to economic and political reporting and analysis — the heart of the department's responsibilities — as we had to meet increases in consular workloads and provide administrative support for other agencies."

"What we have done, year after year, is thin the soup," Mr. Spiers said.