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### The International Role Of "Domestic" Bureaucracy

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# The international role of “domestic” bureaucracy

Raymond F. Hopkins

Many agencies of the United States Government with nominally “domestic” mandates play important roles in international affairs, and collaborate extensively with other governments and international organizations in the performance of their tasks. In some areas, these agencies rather than intergovernmental organizations play key management roles. Data gathered from a variety of sources indicate the extensiveness of this involvement, and suggest that it continues to expand, although not in linear fashion. Certain trends in governmental reorganization, such as those in the Agriculture Department, suggest similar patterns to those observed in business firms as they become more heavily involved abroad. More attention needs to be paid to international networks involving “domestic” governmental bureaucracies and governmental agencies traditionally oriented toward international affairs. From a conceptual point of view, we should think of “international organization” as including not only formally intergovernmental organizations, but all officials who participate significantly in these networks.

The management of international activities requires organizational capacity. This is currently provided, to some extent, by formal intergovernmental organizations such as the United Nations and its functional agencies. Yet national governments, acting alone or in collaboration, play an even more significant role. Furthermore, within those governments, bureaucracies whose mandate is primarily “domestic,” or at least is usually perceived as such, are responsible for the promotion, monitoring,

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and regulation of a wide variety of activities whose scope is international. This suggests not only that the distinction between foreign and domestic policy has become blurred—as many observers have suggested—but that the concept of international organization should be broadened. We should think of “international organization” as including those officials who are part of the organizational networks that perform international functions, whether they are formally in international or domestic bureaucracies, within governments or in the private sector.

The United States, because of its vast resources and international ties, is a good case to investigate in order to assess the validity of this proposition. In this essay, I focus particularly on US governmental officials, although their links with non-governmental organizations are also taken into consideration. After examining the theoretical concerns that led me to study “domestic” US bureaucrats as “international” officials I then report evidence that supports five general propositions:

- (1) Officials in the US government “domestic” bureaucracies play a significant international role.
- (2) The international responsibilities of these officials seem to be growing.
- (3) Some mid-elite officials even have a direct effect on monitoring, promoting, or regulating resources, services, and information that move internationally.
- (4) These officials generally recognize the extent of connectedness among states, a critical element in managing interdependence.
- (5) They use informal networks of intra- and intergovernment coordination; these networks range in purpose from information sharing to collaboration in management.

From this I conclude that networks of interconnected behavior among middle level officials have been, and will continue to be, an important force in performing international management tasks. This is especially true in areas of food and energy policy where conventional foreign-domestic distinctions no longer make sense.

### *I Theoretical perspectives*

#### A shift in attention

Until recently international policy focused on nation states and the formal organizations they created. Recognition of the importance of transnational actors, such as the multinational corporation, and transgovernmental actors, particularly semi-autonomous subdivisions within a government in which “bureaucratic politics” is common, has shifted the attention of scholars to the activities of these organizations.<sup>1</sup> This emphasis also suggests that the conventional view of inter-

<sup>1</sup> The various organizations so defined may be found in Robert O. Keohane and Joseph S. Nye, Jr., eds. *Transnational Relations and World Politics* (Cambridge: Harvard University Press,

national organizations—as formal, legal bodies with national governments as members and with initiatives carefully limited by law and procedures<sup>2</sup>—may miss important trends and institutional changes in global structure.<sup>3</sup> Even studies, such as that by Robert Cox and Harold Jacobson, that emphasize the processes of political behavior rather than formal frameworks focus on the conventional intergovernmental bodies and the relation of national bureaucracies to them.<sup>4</sup> This focus on formal intergovernmental organizations, hierarchical in character and limited in authority, is, I believe, unlikely to reveal the critical points of decision making in international politics where important organizational tasks are performed. These lie to a large extent within the bureaucracies of national governments and multinational firms, often acting in concert.

The justification for proposing a more functional definition of international organization that would include the organizational actions of national bureaucrats is based on five trends. First, there has been a weakening of the distinction between foreign and domestic policy. Second, there has been an expansion of the responsibility of government for social and economic welfare in society. Third, the degree of interdependence among societies has grown through physical connections such as environmental pollution and through social connections such as trade and diffusion of culture. Although this phenomenon is not new, sensitivities of societies to each other have increased as supplies of key resources—credit, food, oil—were in short supply for various reasons beginning in the 1970s. Fourth, technical judgments made by specialists have become increasingly important in making policy decisions. And, finally, the planned transfer of technology has become a major avenue for accelerating growth in late-developing countries. Such growing transfers, carried out by national governments, necessarily involve expertise and bureaucratic capacity residing outside foreign ministries and state department offices. Taken together these trends provide the basis for greater international involvement of national government bureaucracies.

Defining international organization as including the coordinated activity and operations within the bureaucracies of domestic government agencies and large corporations is unconventional. However, such activity, as it deals with the same problem as do formal international organizations, may be more important for the monitoring, regulation, and promotion of transnational resource flows and collec-

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1972). The multinational firm is discussed in Ramond Vernon, *Sovereignty at Bay* (New York: Basic Books, 1971). On transgovernmental actors see Robert O. Keohane and Joseph Nye, Jr., "Transgovernmental Relations and International Organizations," *World Politics*, Vol. 27, No. 1 (October 1974): 55–60.

<sup>2</sup> See, for instance, the use of the term "international organization" in the various essays in *International Organization: Politics and Process*, edited by Leland M. Goodrich and David A. Kay (Madison: The University of Wisconsin Press, 1973).

<sup>3</sup> Alex Inkeles argues there is a growing global convergence of many social and economic patterns, a growth of connectedness and interdependence and a continuation of existing nation-states with their unique organizational patterns. See Inkeles, "The Emerging Social Structure of the World," *World Politics*, 27 (July 1975): 467–95.

<sup>4</sup> Robert Cox and Harold K. Jacobson, *The Anatomy of Influence* (New Haven: Yale University Press, 1973), esp. pp. 1–15.

tive benefits. Food, energy, finance, communication, clean environment, economic growth, and technology development and diffusion are principal areas of human activity transcending national boundaries. For each, I suggest, global management occurs de facto in decentralized but occasionally coordinated frameworks that constitute an important part of the global political system. Such frameworks, though generally loose and unstable, might be considered incipient “regimes” or institutionalized patterns of behavior and expectations whose effects serve to regulate activities that reach beyond and are often out of the control of any one or even a small number of national actors.<sup>5</sup>

### The scholarly heritage

This view has much in common with that of functionalists who looked for the early growth of international institutions in the areas of welfare such as health, education, and food. David Mitrany, for instance, argued that the role of functional international agencies would grow in response to world exigencies, and this eventually would force greater global political cooperation. However, in spite of considerable growth since World War II in functional agencies—in the United Nations system and outside it, such as the IMF—the capacity of these agencies has expanded less rapidly than have the problems over which they have some jurisdiction.<sup>6</sup> And with the decline of superpower influence in conventional inter-governmental bodies, there has been a reluctance to take or assign problems to these organizations.<sup>7</sup>

In the 1950s and 1960s Ernst Haas and other neo-functionalists offered a second perspective that proposed revised explanations to understand and predict the growth of supra-national institutions and the occurrence of integration. In their analyses dynamic activity based on initiatives by various interstate organizations and on necessary negotiations among states would lead to growth in organizational capacity at the international level.<sup>8</sup>

<sup>5</sup> John Gerard Ruggie and Ernst B. Haas refer to such networks as “international regimes” responsible for searching problems, establishing norms, defining rights and redefining choices. These are implicit in the general management functions that informal bureaucratic elite networks may be assuming. See “International Responses to Technology,” *International Organization*, 29 (Summer 1974): 557–61; 570–83; 852–76.

<sup>6</sup> There are no doubt exceptions to this generalization, perhaps in handling certain health problems. Nevertheless, the increased capacity Mitrany looked for does not seem to have occurred, as recent UNESCO program evaluations, for instance, suggest. See David Mitrany, *A Working Peace System* (London: Royal Institute of International Affairs, 1943).

<sup>7</sup> The US in 1975 withheld funds from UNESCO, and successfully urged that questions such as international food reserves be handled outside the United Nations framework. International energy, food, and commodity problems in 1974–75 were addressed largely outside the UN in bilateral talks, in regional meetings, in working parties on new international economic order concerns and in new bodies such as the International Energy Agency.

<sup>8</sup> See Ernst Haas, *The Uniting of Europe* (Stanford: Stanford University Press, 1958) and *Beyond the Nation-State* (Stanford: Stanford University Press, 1964). Other authors with

Most recently a third perspective has developed regarding the development of international regimes. Various scholars have proposed that international organizational and policy tasks be viewed broadly and that growth in task performance be studied within networks of collaboration among national elites as well as at the supra-national level. Max Beloff some time ago noted the growth of linkages among national governments' bureaucracies, a trend begun during World War II. Cox and Jacobson emphasized the role of such bureaucracies (representative sub-systems) in their studies of international organizations. Robert Keohane and Joseph Nye outlined the process by which transgovernmental coalitions could and did perform a variety of international management functions, and Ernst Haas and John Ruggie have proposed that such task performance may be the basis for current and future international regimes to handle global problems of interdependence.<sup>9</sup>

The focus on domestic government bureaucracy in this article is a conscious extension of this last perspective. It looks at senior officials in "domestic" agencies as transgovernmental bureaucrats to see how far the requisites of policy making require them to confront international concerns and deal with foreign bureaucrats. My proposal is that since growth in international organizational capacity at the supra-national level has been unimpressive, perhaps it has occurred through cooperation of existing bureaucracies within states.

### The focus on the US

I have focused on the United States to explore this proposal initially because of its congeniality as a research site, because it has such a large bureaucracy and because it has had a heavy involvement in international affairs since World War II. The US bureaucracy, I hope to show, plays an international role in two respects. First, it participates in transgovernmental networks that serve to regulate various functional activities. As such the US case is one instance of a general phenomenon of collaboration among national bureaucracies that constitutes an international policy network. Domestic policies, border arrangements, and cooperation in international fora are coordinated through interstate collaboration or bargaining in ways that regulate transnational activity such as trade, migration, technology transfer, and the regulation of business. Second, the US plays a special role by undertaking managerial functions that are conventionally thought of as the proper role of intergovernmental organizations, though seldom if ever performed (at least not effectively). In this respect, the US is relatively unique, performing a role analogous to that of the colonial administrations of former European empires,

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neo-functional perspectives include Joseph Nye, Jr., Leon Lindberg, Phillippe Schmitter, and James P. Sewall.

<sup>9</sup> See Max Beloff, *New Dimensions of Foreign Policy* (London: Allen and Unwin, 1961); Cox and Jacobson; Keohane and Nye, *World Politics*; and Ernst Haas and John B. Ruggie, eds., "International Responses." I am grateful to an anonymous referee for reminding me of the historical development of this intellectual perspective.

but carrying out its role within the legal framework of a system of sovereign states rather than an empire. This second role may have occurred as a natural extension of the United States' international predominance and involvement after World War II. As the US position declines relatively, however, the unique role played by US national bureaucracies becomes both clearer and less certain. Indeed, the shift in economic interdependence has created problems for the continuation of the US's role as a surrogate for international bureaucratic activity. In food, for instance, the stabilizing and security functions played by US government grain reserves in the 1950s and 1960s were ended by a change in US domestic policy. Subsequently, the US has sought to shift to consumer countries some of the costs of this international benefit previously managed by US bureaucracy. In energy, portions of the global management role of US-based multinationals have been assumed by both an expansion of domestic bureaucracy and, to a far lesser extent, the newly created International Energy Agency. The latter is dependent on US corporate and government organizations for information, analysis, and task performance. Still the unique role of US bureaucracy in performing international tasks may be declining. This is accompanied by an effort to prevent the role from shifting to the more universal organizations seen to be captured by a poor country majority. This may explain in part the US effort to turn to ad hoc international groups to handle problems, such as the Group of Twenty in monetary affairs.

The reality of interdependence for the United States is not new. The Department of Defense, for instance, has long been sensitive to developments in weapons in the USSR, adjusting its requirements accordingly. But both the physical and societal (policy-shaped) dependence of the US seems to have grown considerably since 1950, as has international interdependence more generally.<sup>10</sup> Yet for many the degree to which the US domestic situation regarding food, energy, and inflation could be affected by policy decisions taken abroad has been surprising. As Henry Kissinger was induced to say in late 1974:

The traditional agenda of international affairs—the balance among major powers, the security of nations—no longer defines our perils or our possibilities. To some extent we have mastered many of the familiar challenges of diplomacy. Yet suddenly we are witnessing a new threat to the governability of national societies and to the structure of international stability. A crisis threatens the world's economic system.<sup>11</sup>

<sup>10</sup> The recent growth of interdependence and international transactions has been traced among others by Peter J. Katzenstein, "International Interdependence: Some Long-term Trends and Recent Changes," *International Organization*, Vol. 29, No. 4 (Autumn 1974): 1021–34. Robert O. Keohane and Joseph S. Nye, Jr. also discuss types of interdependence in their paper, "Organizing for Global Environmental and Resource Independence," Report of the Commission on the Organization of the Government for the Conduct of Foreign Policy, *Appendix I* (Washington: Government Printing Office, 1976).

<sup>11</sup> "Toward a Global Community," speech by Henry Kissinger before the Indian Council on World Affairs, New Delhi, October 28, 1974, Department of State PR 445, p. 5.

### The management of global affairs

The proposition that capacity and responsibility for performing organizational functions of international management may be growing within national bureaucracy, notably bureaucracies assigned domestic functional tasks, implies broader conclusions. The shaping of world order, it suggests, will increasingly be affected by the actions of functionally specialized officials in domestic bureaucracies. In an increasingly complex and interdependent international system,<sup>12</sup> those with most leverage will be influential in determining outcomes. But where are the leverage points in the contemporary international system? To a large extent the traditional answer seems accurate: they lie in the key foreign policy posts in nation-states. In the United States, President Ford, Secretary of State Kissinger, and other key elites set broad policy. But there is a second level of influence in governments where the complexities of individual international issue-areas are more fully grasped and resolved. For many substantive issues this tier does not lie, I believe, principally, in central executive offices such as the State Department or the White House, nor in formal international organizations staffs. Rather it is found in the domestic operating agencies that deal with particular choices that affect problems of international or global concern.

Data to test empirically such influence and change in the global system are generally unobtainable. The relevant investigations would not be tolerated by the governments and individuals whose behavior and thoughts would need to be observed. In the absence of such data, nevertheless, I argue that officials in domestic agencies are likely to have leverage because they have more secure budgets, long accepted legal authority for actions promoting domestic welfare (now increasingly linked with international activity), close working ties with domestic and international business officials, powerful, if latent, interest group support, and day-to-day operating command over the details of transnational flows of resources.

During the era of intense international hostility after World War II, the Defense Department and its closely related industrial organizations exercised a key influence over the decisions which shaped arms development, the formation of common defense collaboration in NATO, and the dispersal of weapons systems around the world. Decisions were made for reasons related to perceived threat, technological development, alliance politics, and budget constraints. The consequences were often different than the purposes.

A similar situation can be argued for food and energy issues. The US Agriculture Department was the prime actor in supporting, managing, and even supplying the research, technical assistance, financial incentives, market regulation and distribution of food for global needs in the post-World War II period. While

<sup>12</sup> For a discussion of complexity, interdependence, and decomposability in political systems, see Garry D. Brewer and Ronald D. Brunner, *Organized Complexity* (New York: Free Press, 1971) and Ernst Haas, "Is there a hole in the whole?" *International Organization*, Vol. 29, No. 3 (Summer 1975): 852-68.



AID was a critical agent for drawing upon, directing, and paying for some of Agriculture's resources, department programs and personnel were the key managers of food production and distribution systems that provided the resource base for US global food policy.

The flow of oil into industrialized states has long been managed by executives of a few global firms under loose government constraints. They have produced and controlled intelligence, shaped options, collaborated tacitly, and negotiated for prices with producing countries and for tax concessions in home and consuming countries. With the oil embargo of 1973 and the dramatic OPEC price hike, consuming countries began to assume greater management responsibility through domestic and international actions. But the network of management still is heavily dependent upon corporate executives. The International Energy Agency (IEA), for instance, has four Working Groups. Two of these—one on uncovering critical information on firm operations and another on emergency sharing—have requested and rely heavily upon reports prepared by corporate groups and continuing consultation with these groups. This new international organization, like many others, tends to be principally a structured forum for management networks crossing national boundaries to create new and more legally binding collaborative practices. The points of leverage remain in the key posts in domestic bureaucracy.

### Theoretical conclusions

My central analytical conclusion is that many "functional" policy issues that are interconnected internationally, because they usually require technical judgment, long lead time, and large bureaucratic regulation and because they are deeply linked with domestic objectives, tend to be defined and resolved to a larger extent than conventional "diplomatic" questions by senior executives within the "domestic" bureaucracies of government. Although "international" officials often have sought to influence issues, as in food and energy, the ad hoc and often informal interdepartmental and transgovernmental meetings which they attend almost always rely heavily on the research, regulatory powers, and promotional resources controlled by domestic government bureaucracies. The weakness of foreign policy officials in efforts to coordinate or control such problems has been uncovered in many case studies.<sup>13</sup> In addition, while studies have familiarized us with how domestic bureaucratic interests shape an individual "player's" view of policy, and how internal organizational norms define his role, we have not fully explored how the external exigencies of the global system impact on his views and role. This is especially the case for those officials in posts *outside* the foreign policy bureaucracy.<sup>14</sup>

<sup>13</sup> See, for instance, William I. Bacchus, "Obstacles to Reform in Foreign Affairs," *Orbis*, Vol. 18, No. 1 (Spring 1974): 266–76.

<sup>14</sup> See Morton Halperin, *Bureaucratic Politics and Foreign Policy* (Washington: The Brookings Institution, 1974).

Discretion in international politics (i.e., deciding who gets what, etc.) often lies with those officials in domestic agencies whose decisions directly affect the flow of resources distributed by international market and negotiation mechanisms. In the case of global food supplies, for example, US Department of Agriculture executives negotiate levels of grain exports with officials of the EEC, Japan, and the Soviet Union, while agribusiness officials negotiate the terms, timing, and transport arrangements of sale. Both negotiations reflect judgments about market prices and supply-demand situations. The areas of energy and finance have similar management transactions among government officials and oil and bank corporation executives. The activities of major American banks in recycling petrodollars during 1974 required close collaboration with the US Treasury as well as with the financial managers of OPEC investments. In sum, within broad policy guidelines, the management of global political problems, especially those of a non-military nature, resides primarily in decentralized, partially-connected networks of executives in both national governments and private multinational business. Day-to-day functional government responsibilities in the US for energy, food, and monetary policies lie in operating agencies such as FEA, ERDA, Interior, Agriculture, and Treasury. By focusing on the actions and views of bureaucrats in such positions we should be able to discover to what extent such ad hoc systems of behavior based on innovative and informal roles and norms manage global problems through transgovernmental relations.

I have undertaken to study activities of these bureaucracies and the views of one group of such possible global resource and environmental managers—those residing in US "domestic" government bureaucracies dealing with food and energy. If coalitions of such bureaucrats, crossing national and corporate boundaries, have been vital in managing global tasks, such as food and energy production and distribution, a number of important questions can be posed. Will future "growth" of international organization in response to increased interdependence occur primarily within nations rather than at the supra-national level? Will domestic government bureaucrats become responsible for world welfare, developing international outlooks and commitments as they cope with interdependent problems through transgovernmental relations? Although I cannot provide definitive answers to these questions, I hope this study will at least call attention to the value of the somewhat unconventional perspective on international organization entailed by such questions, as well as shed some light on the extent to which US domestic bureaucracy has been performing international management tasks.

## *II International activities of "domestic" bureaucracies*

It is certainly true that there has been a growing incidence of these other departments outside the State Department going off on their own. This has been a chronic problem. How do you keep these people who often have

no idea about foreign policy from doing things completely uncoordinated with a President's policy?

George Kennan (March 1975)<sup>15</sup>

Departments and agencies of the US government whose mandate is principally and sometimes exclusively domestic can and have performed activities and assumed responsibilities in international areas. Three conditions have prompted such involvement: the dependence of their policy goals on what happens outside the US, development of special skills and responsibilities of interest to foreigners, and the value of benefits they can provide in support of foreign policy.

### Conditions for domestic bureaucracy involvement

First, dependence among states has promoted international activities in domestic bureaus. This may be a physical dependence as with the effects of pollution, or dependence based on social and economic policy arrangements, as with linked monetary or marketing arrangements. In either instance when domestic policy objectives are affected by policies or events (e.g., bad harvests) in other countries, greater international involvement tends to follow. These relationships to foreign actions need to be taken into account if objectives are to be met. There have been cases where the mutual dependence of domestic policies in several countries has not been fully accounted for in domestic policy in one country with "bad" results. The 1973 US embargo on soybeans, for instance, a step taken because of domestic considerations at the urging of the Cost of Living Council, is generally considered to have had very negative repercussions in Japan and Europe where decades of effort to establish the US as a reliable supplier were wasted. Occasionally, emphasis on international considerations has led to undesired domestic results as well. The Russian grain sales in 1972 and the subsequent continuation of acreage controls in the US until 1973 (after the winter wheat crop was planted) contributed substantially to the inflationary rise in US domestic prices.<sup>16</sup> The embargo on oil to the US from Middle Eastern Arab States in 1973-74 underlined US dependence on foreign energy. Net oil imports have risen from virtually zero in 1950 to nearly 40 percent of domestic consumption in 1974-75. One result is that the "uncontrolled" price of US domestic oil is effectively set overseas by the OPEC cartel. This situation is analogous, but with a reversal of dependence, to that in the 1960s with respect to grain prices. Former Secretary of Agriculture Freeman recalls meeting with representatives of the other major exporters (Canada, Argentina,

<sup>15</sup> Comment by Professor Kennan during a discussion of the research for this paper at the Woodrow Wilson International Center for Scholars.

<sup>16</sup> This is not only a widely held view among government officials, but analysis of trade data tends to confirm it. Arthur Mackie, for instance, found the USSR, as a very inconsistent importer, largely responsible for the US price rise. See "International Dimensions of Agricultural Prices," *Southern Journal of Agricultural Economics*, July 1974. Of course, a desire for higher prices for US farmers was a likely factor also, especially in the delay in lifting controls.

Australia) in response to US exporters' complaints that other countries were cutting prices. "I told them either they held their prices in line with the US prices or I would put US surpluses on the market. They all got in line quickly."<sup>17</sup>

The development of US dependence on foreign supplies, prices, and regulatory actions, with its potential to affect domestic policy, often occurred without full appreciation of its scope or possible ramifications. US farm surpluses in the 1950s and 1960s, for instance, provided collective global benefits, international food security, and a price stabilization mechanism. Yet the primary force sustaining surplus policy was the objective of assisting US farmers. Nevertheless, international commodities such as coffee, cocoa, and sisal, not "managed" as an outgrowth of US domestic policy, fluctuated widely in price during the 1960s, while grain and cotton prices, which were regulated by US domestic policy, were comparatively steady in international price and were in assured supply. A somewhat parallel role to that of the USDA in grain was played by the multinational oil firms who dominated decisions affecting international oil prices and the flow of supplies.<sup>18</sup> They provided the world with relatively cheap oil, while resisting efforts of producers to capture more benefits, as they did with Mossadegh in Iran in 1953.

The short supply situation of both food and energy that occurred in the 1970s led to two changes in government organizations. In Agriculture an export review system was set up in 1974 that monitored all large grain sales with the power to veto sales not anticipated or which threatened to drive up domestic prices without commensurate benefits. This system, run by the Foreign Agricultural Service, also protected regular foreign buyers by making their expected US supplies more secure. The Review Committee for this operation also works closely with the newly formed World Food Council in assessing international supplies.

An even greater organizational response has occurred in the energy field with the creation of two new agencies. The Federal Energy Administration (FEA) established in 1974 is responsible for developing short-term (5-10 year) policy and managing allocation and price controls. The Energy Research and Development Agency (ERDA), set up in 1975, is responsible for longer term solutions to the "energy crisis." Both have international divisions and participate in the new international organization of energy consumers, the International Energy Agency (IEA), which is designed to coordinate the efforts of 18 states for short- and long-term energy needs, including emergency energy sharing in the event of another oil boycott.

These organizational developments have done two things. They have shifted to the government a greater burden for managing US resources and markets and shifted (or tried to) to international institutions a portion of the burden for managing resource allocations and paying the costs of achieving an assured resource

<sup>17</sup> Interview with Orville Freeman, April 23, 1975.

<sup>18</sup> On the growth of international oil activity see *Multinational Corporations and United States Foreign Policy*, Hearings before the Subcommittee on Multinational Corporations, Committee on Foreign Relations, US Senate, (Washington: Government Printing Office, 1973).

supply. In the case of food the US has tried to shift some responsibility to other countries; in the case of oil, the major multinational firms, largely US based, have tried to shift burdens to the several governments within whose jurisdiction they operate. Large oil firms like Exxon have welcomed government intervention to the extent that governments assume responsibility for allocating tight supplies or funding expensive research, though they have resisted government management that might affect their discretion over prices and profits.<sup>19</sup>

The second reason that domestic bureaucracies play an international role is that they may control certain special skills or exercise key domestic responsibilities. For instance, the Department of the Interior carried out the first full geological survey of Saudi Arabia, paid for by that government. The Saudis apparently felt the US Geological Survey was the organization best equipped to help them discover and assess their non-hydrocarbon assets. Another special resource is research. Both the Agricultural Research Service (ARS) and the Energy Development and Research Administration (ERDA) carry out research with potentially large benefits overseas. In ARS, research is being carried out to determine how to prevent corn and other grain from cracking or deteriorating in shipment. The ARS laboratory in Rotterdam examines specimens of US shipments when they arrive. Positive results could lead to fewer losses in transport and more satisfied overseas consumers. Information is yet a third bureaucratic product desired by others. The USDA worldwide crop information and forecasting service is the best information system in the world and is widely used by multinational firms and agricultural departments throughout the world as a basis for policy evaluation. The Bureau of Mines (Interior) has produced the *Mineral Yearbook*—"The standard of the world, not just the United States"<sup>20</sup>—and provided important energy data through FEA to the new International Energy Agency.

Sometimes a domestic mandate will lead to international involvement. In order to begin to protect earnings from domestic resources and encourage exploration in the US, in 1959 the Office of Oil and Gas was established in the Interior Department. By limiting the import of foreign oil the US not only served its major purpose, which is to protect domestic producers, but also established some modest capacity to affect world demand and price. The office also proved to be a major avenue for intergovernmental contact, as well as a device for emergency preparations and industry liaison. The quota system kept oil costs to importing nations lower and created bureaucratic machinery for responding to emergencies, at the cost of depleting US domestic supplies and thereby increasing long-term US vulnerability. Of course, since oil prices were fixed through corporate-producer country bargaining, the impact of market forces on price arrangements was heavily muted anyway by the monopoly bargaining power of first one side and then the

<sup>19</sup> Interview with Mr. Kleppe, Vice-President, Exxon International, April 22, 1973.

<sup>20</sup> The quotation is from John D. Morgan, Jr., Bureau of Mines, Department of the Interior, in "Global Scarcities in an Interdependent World" Hearings before the subcommittee on Foreign Economic Policy, Committee on Foreign Affairs, House of Representatives, May 9, 1974, p. 103.

other. When power shifted to the producers as world demand grew, greater control over aspects of corporate activity was begun. One such step was to transfer price determination. FEA, the major successor to the old oil and gas office, now has the responsibility, exercised largely by one person in the domestic part of the agency, to set the price at which intra-corporate transactions take place. Since these decisions affect the "profits" of foreign corporate affiliates as well as the stakes of US corporations, transfer pricing decisions are carefully watched by corporations and other countries.

In a similar fashion international consequences grew out of US domestic policy in agriculture and food. After World War II, the US commodity price support system, begun during the depression, led to growing stockpiles of agricultural products held by the government in the CCC. These surpluses, which existed until 1972, had a number of beneficial international results. They promoted price stability for key commodities in the world market and provided food security for countries with chronic cyclical deficits. Under the surplus disposal/food aid program begun in 1954 (PL-480), \$25 billion worth of concessional sales or gifts of agricultural goods has occurred—amounting to 30 percent of the value of total exports during the 1960s, though below 5 percent in fiscal 1974.<sup>21</sup> The surpluses may also have aided consumers world-wide by keeping prices low. The Agriculture Department maintained the Food for Peace Program administered by the Foreign Agricultural Service and the CCC, gave support and direction to FAO activities, and conducted research and intelligence operations globally. Such food policies and USDA management and service functions in the 1950s and 1960s, while motivated principally by a desire to assist domestic producers, provided substantial international benefits, enjoyed by foreign countries universally at virtually no direct cost.

A third basis for the international involvement of domestic bureaucrats has been the support of State Department or White House foreign policy goals. These goals are often ones accepted by and promoted by the UN and its various agencies, and involve functions similar to those performed by formal international organization experts. The study of the Sahelian drought effect by Public Health Service doctors or the stationing of US technicians in Israel to insure early warning of Egyptian military moves are cases of US technical expertise carrying out international functions, that WHO or peacekeeping forces might under other conditions carry out.

The provision of services or goods overseas, such as technical assistance or aid, has been largely in collaboration with foreign policy officials. AID has established Participating Agency Service Agreements (PASA) with a number of departments—Labor, Agriculture, HEW, Justice and so forth—to pay for the activities of US bureaucrats in technical assistance programs. These programs usually draw on either AID appropriations or PL-480 counterpart funds. Major collabora-

<sup>21</sup> See *US Agricultural Exports under Public Law 480*, USDA, October 1974.

tion in coal research in Poland is funded in this way. International cultural exchanges, food aid (increasingly used as a fungible replacement for dwindling regular aid), and scientific collaboration have all been carried out by domestic agencies to further foreign policy aims.<sup>22</sup> The recently established bilateral commissions with Israel, India, Jordan, Saudi Arabia, Egypt, and the USSR have also drawn US bureaucrats into more international affairs. As one senior Agriculture official assigned to a commission remarked: "We could never justify the time and effort on this commission activity unless it was to support our foreign policy. It certainly is hard to justify in terms of US or global welfare calculations."<sup>23</sup>

### International activities

The complete scope and range of international activities in domestic agencies are hard to document systematically. Nevertheless, I have attempted to catalogue some of their activities along with data on the size and scope of programs. Table 1 is based on responses and internal definitions of "international" developed by each department or agency in response to the Commission on the Organization of the Government for the Conduct of Foreign Policy and in State Department authorization hearings. It provides a quick sketch of some of the domestic agencies' international activities.

The specific international involvement of domestic bureaucracies may be specialized within a key office. In Interior, for instance, there are offices for international activities in every major bureau except Indian Affairs. And there is an international office organized to support the Secretary in his international responsibilities and to attempt to coordinate activities within Interior and with State. These offices handle ad hoc international activity and generally do not have global overview or direct responsibilities. Until recently most of Interior's international activities have been in supplying specialized skills to selected foreign countries. With minerals and energy increasingly viewed as limited, depletable resources, however, Interior's interests in and attention to such policy areas as Law of the Sea and the access rights of foreigners to US energy and mineral resources have markedly increased.<sup>24</sup>

In other agencies and departments such as ERDA, FEA, and Treasury, one or two divisions may be established to deal explicitly with foreign economic affairs. Within the Office of the Secretary in Treasury, for instance, two divisions were created in a reorganization in 1974, each headed by an Assistant Secretary. The long established branch for International Affairs (OASIA) was regrouped along with

<sup>22</sup> According to Ambassador Edwin Martin, who headed preparations for the Rome World Food Conference, food aid is largely fungible and can be a good substitute in serving diplomatic ends for other aid, a point he made in an interview December 9, 1974.

<sup>23</sup> Interview with Quentin West, Administrator of Economic Research Service (ERS) in Agriculture, July 13, 1975.

<sup>24</sup> These claims were made by Ms. Wright and Mr. Sturgill, Office of the Secretary, Department of Interior, October, 1974.

a new division for Trade and Energy Affairs. These divisions have their own research, functional, and specialized country subdivisions.

The most internationalized "domestic" agency I encountered was in Agriculture. Two developments there are relevant. Like Treasury, Agriculture has long had an international division. This has consisted principally of the Foreign Agriculture Service which operates directly overseas with its own personnel system covering over 100 countries. Unlike labor, cultural, and commercial attaches, the agricultural attache abroad is appointed by and reports to his domestic department and is not directly under the State Department (although the attache is nominally and functionally under the direction of the State Department's embassy when abroad). The first important development in Agriculture was the merging of domestic commodity support programs and the foreign division under a single assistant secretary in 1969. While this move was done for idiosyncratic reasons, it has been quickly accepted as natural.<sup>25</sup> The second development occurred in 1973, when the Economic Research Service (ERS) was reorganized. This eliminated the foreign subdivisions of ERS per se and put country analysis under two functional divisions, commodities and natural resources. As a result, for instance, economic analysts specializing in grain are now expected to be knowledgeable about all relevant factors, including international ones, that impinge on supply and demand. "We expect a grain person to know about the weather in Russia or China these days."<sup>26</sup>

Those familiar with the major clientele interests and the typical rural midwest backgrounds of Agriculture Department personnel would be hard pressed to explain these changes as due to natural internationalist perspectives of the Department. The organizational changes above are similar to those that have taken place in multinational firms. As multinationals became more international in operations they have tended to do away with a separate international division. Instead the whole organization operates with an international perspective, every unit forming its international outlook based on its own functions.<sup>27</sup> That the Department of Agriculture seems to be moving in a similar direction is striking.

The growth in these activities has been neither consistent nor coordinated. Frequently, autonomous rather than coordinated steps are taken by specialized agencies with a large science and technology component, notably AEC (now ERDA), NASA, and NOAA. They have conducted extensive programs of international collaboration and assistance. Project Plowshare of the AEC, promoting "peaceful nuclear explosions" (PNEs) is a particularly dramatic case of autono-

<sup>25</sup> After Palmby was passed over by Nixon as Secretary of Agriculture, he agreed to become an assistant secretary if the division he headed combined the divisions that previously were coordinated at the under-secretary level—namely FAS and ASCS.

<sup>26</sup> Interview with Lyle Schertz, deputy administrator, ERS, July 18, 1975.

<sup>27</sup> The conclusion of Louis T. Wells, Jr. is that as a firm's foreign business grows, it results in the end of the international division. See "The Multinational Business Enterprise: What kind of International Organization?" in Robert O. Keohane and Joseph S. Nye, Jr., *Transnational Relations and World Politics* (Cambridge: Harvard University Press, 1972), p. 102.



**Table I Examples of transgovernmental activities of selected “domestic” bureaucracies (circa 1973–74)**

<i>Department or agency</i>	<i>Intra-government collaboration</i>	<i>Inter-government collaboration</i>	<i>International organization collaboration</i>
<i>Agriculture</i>	International Grain Reserve—interagency committee (Also 14 other interagency committees)	International Wheat Council; PL 480 Food Aid Program; and informal marketing agreements	Prepublication sharing of data and analysis with FAO; and codex Alimentarius
<i>Treasury</i>	Foreign economic policy; coordinate economic implications of global resources (commodities, food, oil, Law of the Sea; on 24 interagency committees)	Work with Group of 20 on finance; Saudi-Arabian bilateral commission	Review and serve on the Board—IMF; World Bank, IDA, etc.
<i>Health, Education and Welfare</i>	US cultural programs—coordinate with State; also nutritional programs	Comparative research USSR; Japan, Poland	Delegates to and cooperation with UNESCO/WHO/OECD/NATO, e.g., detail of personnel from the Center for Disease Control to WHO (\$800,000).
<i>Interior</i>	Interagency committee on scientific and technical exchange, Law of the Sea review	International assistance in Bureau of Mines, Fish and Wildlife, etc., Survey of Saudi Arabia; collaboration with Canada (power) Mexico (water)	Sponsored energy conference, 1975 jointly with UN; Informal leadership nongovernmental international professional associations
<i>ERDA**</i>	Old AEC activities; nuclear safety; proliferation; Law of the Sea	Bilateral Energy Research Japan, UK, USSR, Poland	Strong role in IAEA and in IEA working group on long term cooperation, also NATO
<i>Labor</i>	With State and AID on Cultural and Technical Exchange	Technical consultation France, UK, Japan ministerial level consultation	Representation to ILO; OECD (man-power committee)

<b>Transportation</b> (including FAA)	Interdepartmental committees with State	Implementation of international Fishery Conventions—Uniform aviation standards; exchange of data; Canada, Germany, Japan.	Involved with ICAO
<b>HUD</b>	With State on UN Economic Committee	Work with France on pollution free "new towns"	UN agencies
<b>EPA</b>	Coordinate with State—Oceans, Environment, and Science	US—Soviet Environmental Agreement	Work with UNEP NATO—Challenges of Modern Society
<b>Commerce</b>	Numerous interagency committees on economics—(commercial) and weather in NOAA	East-west trade negotiations scientific bilateral exchange	With UN Industry Programs, Maritime Organizations, WMO
<b>FEA</b>	With staff on international energy program; setting of transfer prices for multinational firm movements of goods	Bilateral work with producing and consuming countries	With IEA; data sharing, program collaboration
<b>Justice***</b>	Anti-trust coordination with State over oil and MNE activity generally	International drug suppression	UN drug and legal activities; immigration consultation
<b>State</b>	Nearly every interagency committee with international policy matters (100's)	255 Foreign Posts (1974) Embassies or missions	Representation through I.O. Bureau to all major groups especially the UN

\*Based on data in *State/USIA Authorizations*, Hearings before the Committee on Foreign Relations, United States Senate, 93rd Congress, March 11 and 12, 1974 (Washington: U.S. Government Printer, 1974), pp. 10–11, and communications to the Commission on the Organization of the Government for the Conduct of Foreign Policy, May to September, 1974 in response to a survey-type inquiry from Commissioner Murphy. I wish to thank the Commission for allowing me to review these files.

\*\*Data largely from AEC records.

Table II Indicators of amount of activity\*

<i>Department or Agency</i>	<i>Number of international personnel</i>	<i>Overseas US personnel</i>	<i>Overseas travel (1972) total passengers*</i>	<i>International activities budget</i>	<i>Overseas expenditures</i>
<i>Agriculture</i>	901 (in Foreign Agr. Service only; not ARS, ERS, etc.)	181	3,950	1.6 billion (If 1 billion in food aid and work in ARS, IRS, etc. is included)	24 million (excludes food aid)
<i>Treasury</i>	400 (approx.)	151	1,337	No estimate	11 million
<i>Health, Education and Welfare</i>	403 full time; 536 man years (approx. 1200 people involved)	14	4,383	31 million	427 million (includes grants)
<i>Interior</i>	190 man years	15	1,527	900 thousand	61 million
<i>ERDA**</i>	64 (from AEC)	11	317	No estimate	8 million (likely to grow rapidly)
<i>Labor</i>	No estimate	(few, perhaps none)	287	No estimate	876 thousand
<i>Transportation (including FAA)</i>	Internat'l. Prog. office 13 people; Intl. duties 822; FAA/Coast Guard	262	809	33 million (I.P. office—302 thousand)	13 million

<i>HUD</i>	Office of Int. Affairs—16 people	1 in Paris	62	489 thousand	very small amounts
<i>EPA</i>	27	not specified	750	1 million (approx.)	2.9 million
<i>Commerce</i>	several hundred	58	14	not specified	9.2 million
<i>FEA</i>	Int'l. Affairs staff about 40	no permanent staff	not in existence	not specified	not specifiable for FY 1973 or 1974
<i>Justice***</i>	—	—	5,024	—	—
<i>State</i>	9,438 (authorized positions)	3,336	18,448	616 million	274 million (excludes aid)

\*Based on data in *State/USIA Authorizations*, Hearings before the Committee on Foreign Relations, United State Senate, 93rd Congress, March 11 and 12, 1974 (Washington: US Government Printer, 1974), pp. 10–11, and communications to the Commission on the Organization of the Government for the Conduct of Foreign Policy, May to September, 1974 in response to a survey-type inquiry from Commissioner Murphy.

\*\*Data largely from AEC records.

\*\*\*The Justice Department did not respond to Commissioner Murphy's request.

Note: Some of the trips by agency people, e.g., to international meetings, would come from State Department budgets. Thus commerce is likely to have had more than 14 passengers (7 each way) in 1972. This data is from an unpublished JAO study conducted in 1972–73 for fiscal year 1972. The Justice figures include over 3,000 people deported as undesirable aliens.

mous and conflicting foreign policy goals pursued by a “domestic” agency. The program was eventually stopped by State and ACDA but not until it provided a justification for India’s acquiring nuclear capability. With over 700 international conferences a year, transnational collegiums of professionals in agriculture, atomic energy, meteorology, satellites, and health tend to work directly with one another with little supervision by the foreign policy agencies (basically State) in staffing conferences, drawing up technical guidelines or reaching consensual decisions.

Funds for international programs in Treasury, Interior, and Agriculture and other units, with the exception of PASA agreements for technical assistance funded by AID, are also usually carried in “domestic” budgets. The international affairs division of OMB, for example, does not have jurisdiction over, or working knowledge of, the costs and benefits of direct international activities or indirect international consequences of programs outside the “conventionally” designated agencies including State, AID, and the CIA.<sup>28</sup> Moreover, networks of professionals across nations, and bilateral cooperation set up under the aegis of bilateral agreements, are seldom monitored or used in calculations by the State Department.<sup>29</sup> Thus centralized direction over direct international activities or the indirect effects of largely domestic activities has been weak.

Judging by the budget expenses and personnel involved as shown in table 2, such activities are not insignificant. The State Department’s cost for administering foreign affairs in fiscal 1974 was \$317 million. HEW estimated its international activity programs cost \$68 million with about 1,200 employees involved, while Agriculture spent \$34 million alone for its foreign agricultural activity with 900 employees.<sup>30</sup> Estimates for Interior, FEA, and Treasury are more difficult, but each has 100-200 employees working directly on international affairs. Trend data are hard to compile due to definitional ambiguity, departmental reorganization, and the lack of relevant systematic record-keeping in most agencies. In general it appears that from 1960 to 1970 the Labor Department’s international expenditures increased eightfold, Agriculture’s went up almost 10 times, and Commerce 5½, while the State Department’s budget doubled.<sup>31</sup> Overseas travel is another crude indicator of international activity. A 1972 GSA study of international air travel by USGA employees (on “government business” and hence paid for by the government) showed that State paid for 18,448 incoming or outgoing passenger trips, Agriculture—3,954; National Institutes of Health—3,720; Interior—1,527; and

<sup>28</sup> Interview with James Frye, then Director of International Affairs, OMB, September 1974.

<sup>29</sup> Interviews with Nelson Sievering, Jr., then Director, Office of General Scientific Affairs, State Department and now Assistant Administrator at ERDA, and Robert Sturgill, Office of International Affairs, Department of the Interior, October 1974.

<sup>30</sup> See *The Budget of the United States, Fiscal Year 1975*, pp. 134–35, 641 and DHEW Special Report on International Activities—Action Memorandum, August 5, 1974. Agricultural department expenses exclude technical assistance, commodity stabilization programs, and costs of economic and agricultural research.

<sup>31</sup> I am grateful for this data compiled by Kenneth Oye, Harvard University, March 1973, and shared with me by Robert O. Keohane, Stanford University.

Treasury—1,337.<sup>32</sup> Overseas travel in every agency was subject to budgetary pressure to cut back beginning in 1969. As a result, although travel has grown, it has not done so dramatically. Agriculture averaged about \$1.4 million spent on travel in 1960-63; this grew 80 percent by 1970-73 to an average of \$2.4 million, while travel costs were relatively constant.<sup>33</sup> "Official" delegations to international conferences, for which State normally pays, increased 37 percent from 1967 to 1975 while the proportion spent by State among major agencies climbed from 68 percent to 72 percent.<sup>34</sup> Except for Agriculture, however, we do not have figures on individuals from domestic agencies who were unofficial delegates at conferences or who attended informal international conferences. However, if we look at the 1972 travel figures (the year of the GSA study) we see that overseas travel by State was only about half (53 percent) of total travel by the seven largest departments excluding Defense (i.e.—the first seven departments in table 3).<sup>35</sup>

**Table III Trends in overseas stationing of civilian US bureaucrats\***

Agency	Years							1974 as percent of 1962
	1962	1964	1966	1968	1970	1972	1974	
State**	10,819	11,322	11,057	12,573	10,674	8,952	7,621	70
Agriculture	186	230	311	433	331	296	255	137
Treasury	144	170	230	296	216	204	207	144
Interior	284	452	447	463	410	99	70	25
HEW	143	221	218	381	182	112	62	43
Labor	14	8	4	22	15	24	12	86
Justice	160	151	171	172	172	317	371	233
Commerce	408	338	323	197	152	98	84	21
AEC	27	28	25	25	22	17	12	44
FAA-DOT#	189	256	266	397	297	227	170	90
NOAA	12	15	22	24	19	17	19	158

\*This data refers to all US citizens who are regular government employees posted overseas (outside US territory) during March of each year above. The data are from the US Civil Service Commission, *Federal Employment Statistics Bulletin* (Washington: Bureau of Manpower Statistics, 1962-1974).

\*\*Includes AID and Peace Corps (1966-1970), but not USIA. Also remember State provides many services overseas to USG employees posted there by other agencies.

#After 1966 the FAA figures were included in the new Department of Transportation.

<sup>32</sup> Data supplied by General Services Administration, Herbert H. Scott, Passenger Transportation Services Branch. Since these figures included dependents, they probably exaggerate the figures for State. Treasury figures include travel by Federal Reserve and Ex-Im Bank employees.

<sup>33</sup> Calculated from data supplied by Warren A. Blight, Deputy Director, Management and Finance, USDA, November 18, 1974. The small increases in air fares after 1968 do not account for this rise.

<sup>34</sup> Calculated from data supplied by Joseph Nye, Jr., drawn from State Department sources. I am grateful to Professor Nye for sharing his data with me on official delegation composition. I have used only figures for Agriculture, HEW, Interior, FEA, AEC, Treasury, Justice and State.

<sup>35</sup> Calculated from the 1972 GSA study, footnote 32.

Since management of commodities or services can occur through "international" meetings of government and corporate officials in Washington or by phone and letter communications, travel is at best an approximate indicator. Moreover, data on unofficial meetings in Washington or abroad are not readily available. Nevertheless, the comments of one Treasury official are telling: "The 707 has done in State; when we want to make sure our views are represented, we just go on the next flight."<sup>36</sup>

The trend toward expansion of international activities by "domestic" US agencies is not continuous. The figures in table 3 on the overseas posting of various US personnel suggest a decline in foreign activities after the late 1960s, due to budgetary pressures and the decline of activity in Southeast Asia. Until then it was rapidly increasing in many areas, especially agriculture and education. By 1970, however, US resources were stretched. US capacity to support liquidity in the international economic system through dollars as a reserve currency was declining, even though West Germany and other governments collaborated in monetary management efforts. Overseas activities across the board were forced to decline as the figures in table 3 indicate, though more so in areas like commercial representation and education than in agriculture, law enforcement, or transportation. In various domestic departments, including HEW, Agriculture, and Interior the cut-back of international activities was partially due to real dollar reductions in PL-480 counterpart funds.<sup>37</sup> Generally, the international activities are the most vulnerable sector during budget-cutting in agencies where the principal mission is domestic.

However, the plateaus reached in the late 1960s or early 1970s in levels of international activity by domestic agencies were exceeded in the mid-1970s by some agencies, though not the State Department.<sup>38</sup> Moreover, new international trade arrangements and monetary adjustments, new research in energy and agriculture, and participation in new international fora such as the World Food Council and the International Energy Agency have increased or are likely to increase the involvement of "domestic" agencies.

These strands of evidence and estimates of activity indicate clearly that "domestic" bureaucracies do play a significant role in international affairs, in some

<sup>36</sup> Treasury official under the Assistant Secretary for International Affairs who asked that his observation not be attributed.

<sup>37</sup> The 1966 International Education Act which would have significantly expanded US educational activities was never funded. The International Agriculture Development Service, created in 1964, was reorganized in 1970 and eventually absorbed into the Economic Research Service. The USDA participants at international meetings grew from 400 in 1956 to about 900 in 1963 and only came close again to this figure in 1970 and 1973. See *USDA Participation in Intergovernmental and Nongovernmental International Meetings, Annual Summary, 1974*, USDA, FAS, January 1975, p. 5. Bilateral cooperation in energy grew, but principally in atomic energy until 1973. See Herman Pollack and Michael Congdon, "International Cooperation in Energy Research and Development," *Law and Policy in International Business*, Vol. 6 (Nov. 3, 1974). The data base for even deciding what cooperation among countries would be desirable to meet the "energy crisis" was considered by the State Department in 1973 as "inadequate."

<sup>38</sup> This judgment is based on judgments of several informants, including two in the State Department and three at OMB.

cases with substantial budget and personnel commitments. This international role is not irreversible, however. Because such activity is usually regarded as secondary to the main purposes of the agency, it faces an inclination in the agency to receive disproportionate budget cuts during periods of retrenchment. This certainly was the case in HEW following Elliot Richardson's departure.<sup>39</sup>

### The activities of individual officials

The duties and actions of individuals in these domestic bureaucracies are another source of important clues about the international role of domestic bureaucracy. Thirty-five formal interviews were conducted with administrators from seven departments or bureaucratic units responsible for food or energy policy: Agriculture, HEW, ERDA, FEA, Interior, Treasury, and OMB. The sample was drawn purposively from about one hundred seventy-five executive level political appointees and senior executives (GS 16-18).<sup>40</sup> In addition, I interviewed forty-one officials informally in the Department of State, NSC, OMB, Defense, CEA, and various domestic agencies.<sup>41</sup>

International responsibilities were clearly undertaken, if not consciously acknowledged, by these officials. Seventy-seven percent (27 of 35) indicated they could make decisions or recommend policies that would "directly affect things in other countries or foreign firms." The growth of international responsibilities by domestic agency officials is less easy to demonstrate. Over time data suggest ambiguous trends, although the expansion of overseas personnel in Treasury, Agriculture, and Energy areas—while the overall number of personnel was declining—is evidence that growth is occurring in at least some areas. And the supply scarcity in food and energy has certainly meant that domestic decisions have had a great impact globally. In general, a growth in responsibility was perceived by almost every individual I interviewed. And the responsibilities individuals offered as examples of their international involvement contained a number of newly instituted

<sup>39</sup> Interview with Granville Austin, former HEW director for International Affairs, September, 1974.

<sup>40</sup> Each department and agency studied was asked to supply a list of senior executives at GS-16 or above, with information on their length of service. In addition, recent phone books, an organizational chart (in the case of ERDA), and listings in the "plum" book—a list of unscheduled and policy positions outside the Civil Service—supplemented the data from agencies' personnel offices. In two cases resignations led to selection of a successor to the post chosen or to an alternative selection. I made an effort to interview a variety of types from office directors (usually GS-16) to assistant secretaries, from younger less experienced persons (age 33 was the youngest with three years in government), to senior officials (one with 33 years of government service).

<sup>41</sup> Eighteen officials with responsibility for food and 25 in energy were initially chosen for formal study. Interviews were completed with 17 in food and 18 in energy. Two people—one in each category—were not interviewed because they seemed less suitable than I initially believed; they had little policy responsibility and they were in charge of explicit assistance type international programs. Among the others there were no explicit refusals; the overall response rate was 85.4 percent.



tasks. Nine of the ten international activities listed below (table 4) began after 1970.

**Table IV Some international activities of domestic bureaucracy officials**

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- 1) Formulation of basic features of an international food reserve system in an intra-government committee and, at times, at meetings at the International Wheat Council (London).
  - 2) Increase research aimed at preventing deterioration of food in transport.
  - 3) Setting transfer prices for petroleum movements.
  - 4) Enforcement of FDA standards on imports through informal agreements with other governments and through blanket rejection of commodities to force changes in overseas standards.
  - 5) Approval of security arrangements for nuclear power plants exported from the US to other countries.
  - 6) Encouragement of US refinery expansion through adjustments of import levies on refined petroleum products.
  - 7) Review of common floor price policy for oil imports into IEA countries with emphasis on finding a "right" price.
  - 8) Determining that sales of grain to specific countries exceeded "projections" and ordering these held up, e.g., sales to Mexico and Portugal in 1974.
  - 9) Formulation of rules for limiting foreign investment in US energy resources. Rules in the United Kingdom were being reviewed.
  - 10) Determining whether export subsidies or other policies of foreign governments amount to "dumping" of goods coming to the US—a finding which legally requires US counteraction.
- 

Domestic responsibilities were the principal mandate of most individuals interviewed. Nevertheless, the proliferation of the "little state departments," as the foreign divisions of FEA, Interior, HEW, and so forth have been called, has expanded the capacity of these agencies to act internationally. While some of the "domestic" officials interviewed held posts in the international divisions of these departments and agencies, this was true for less than half (13 or 37 percent) of those interviewed. Moreover, the interests and views of those in international wings coincided generally with those of the larger bureaucracy that housed them; with the exception of only two individuals, no international division official expressed views that contradicted the general "ideology" of his particular bureaucracy.<sup>42</sup>

A large majority (80 percent) of the bureaucrats interviewed were able to cite one or more examples of things they did which directly affected other countries or foreign firms. This direct role, either by exercising individual discretion or by helping to shape policy, was played almost as frequently by officials in main

<sup>42</sup> One of the two exceptions explained his job in the international division as getting the rest of his department "a little big pregnant" through international collaboration. On interdependence he felt it was "central to everything" and then lamented that in his department it seemed as if "everyone is fighting it." But his was far from the dominant view. International activities for the most part tended to be justified by most international division officials as serving domestic goals; as one FEA executive stated: "We must prevent the international tail from wagging the dog of domestic policy."

"functioning" arms of a bureaucracy as by those in the international wings. In the list below of some of these activities only the last four were carried out by respondents in the international section of their agencies.

Officials in the international divisions devoted more time to international activities, a hardly surprising finding, but the estimates by officials in "operating" divisions of the time they spent on international matters was not insignificant. While 92 percent (12 of the 13) officials in international divisions spent over one-fifth of their time on international problems, so did half of the other executives; and 20 percent (4 of 20) of these solely domestic officials met once a week or more with foreign government officials.<sup>43</sup> Generally those outside the international wings had greater discretion over "policy," usually exercising direction over specific activities rather than having *diffuse* responsibilities for managing foreign activities as was typical of many in international posts.

Sensitivity of officials to the stakes of other governments in the activity for which they were responsible was also investigated. In general, officials recognized these, but were not drawn toward great sensitivity or recognition of mutuality of interests. Only 7 (20 percent) of those interviewed felt that other governments shared a problem with the US (as opposed to its being "their problem and our problem"). And only a similarly small number (9) worried that foreign governmental (or international) interests might not be adequately taken into account. With respect to the concept of interdependence, nearly all seemed to conceive of this, defined variously, as growing. Twenty-nine of 35 reported that growing interdependence was a trend.<sup>44</sup> When asked how they felt about the idea of interdependence, eight found it "a bad thing" and 12 others had mixed feelings about it. Thus less than half (15 of 35) thought it was a positive, beneficial phenomenon. While domestic officials were not overwhelmingly pleased at the seeming growth of interdependence, those who reported a change in their views on US responsibility for the overseas effect of domestic policies generally felt "interdependence" was a positive phenomenon. Seventy percent proposed that the US should adjust to it. This suggests that when changes in opinion have occurred, possibly resulting from interdependence demands, these have been toward more internationalist views.

The activities of this selected group of "domestic" bureaucrats demonstrates the broad scope of the international functions they perform. Some were heavily involved in transnational networks dealing regularly with food or energy officials in foreign governments or international organizations. Others directed operations which were largely US in character, but international in impact: for instance, the economic and agricultural data compilation and research in USDA that is relied

<sup>43</sup> This group includes those in charge of research, legal activity and planning.

<sup>44</sup> An argument that interdependence is growing in reality, as well as perceptually, is found in Richard Rosecrance and Arthur Stein, "Interdependence: Myth or Reality," *World Politics*, Vol. 26, No. 1 (October 1973): 1-27.

upon globally. The attitudes of these officials reflected their predominantly domestic mandate. Nevertheless the changes in outlook they did report indicated a shift towards acceptance of greater responsibility for global well-being as part of their job.

### ***III Conclusion***

The international activity of the US domestic bureaucracy has been considerable. It seems to have fostered regular international contact and consciously collaborative decision making on the part of US "domestic" government officials. These organizational developments are perhaps transient, merely transitional devices for international coordination and collaboration until more robust and dramatic changes occur. The establishment of certain more formal international organizations, such as the International Wheat Council, however, seems to be largely a device for facilitating and legitimizing an expansion of activities by US domestic bureaucracies. The lack of autonomy and real discretion exercised by such formal organizations is widely recognized. Their importance is in supporting the role of domestic bureaucracies, agencies with greater discretion. Thus many formal international organizations either promote informal communications, consultations, and cooperation among officials in transgovernmental networks or act as "front" organizations for more potent domestic bureaucracies, especially those in the US, which may remain responsible for managing global activities.

I would expect to find parallels in multinational firms to these two international roles of government bureaucracies—those of resource management through informal networks among domestic bureaucracies and of task performance as a kind of surrogate for international organization. The officials of the major grain trading and oil firms play an important role in the international flow of goods and services in both these respects. Indeed their role is likely to be equally impressive. Such firms anxiously keep track of current and likely government policy, and exchange personnel with government bureaucracy as well. And, conversely, in recent years efforts of the US government to keep track of corporate activity, especially in the areas of food and energy, have risen sharply. The frequent consultations with corporate officials indicated by some of those interviewed suggest that international networks for the management of global resources, such as food, energy, or finance, include by necessity both public and private officials. While all such officials are constrained by their separate organizational norms, they are also pulled together by their shared stakes in outcomes that are acceptable (if not optimum) to the core mandate of their respective organizations.

Several topics for further research are suggested by these findings. First, more details on the institutionalization and uses of elite management networks is desirable. For instance, when international policy makers in the Department of Agriculture change, will successors be constrained by the exigencies of the policy making post to form similar patterns of consultation and information exchange with managers of large firms, producers' representatives, and foreign government

officials? Second, other governments should be studied. The participation in trans-governmental networks of "domestic" bureaucrats in countries other than the United States is of similar interest. Domestic politics is likely to be linked to global policy-making in analogous fashion among all states, though these close links may be more characteristic of states where a larger proportion of their transactions are international than is characteristic of the largest states, e.g., China, the US and the USSR. Finally, it would be interesting to compare bureaucrats with functional responsibility, in energy or food for instance, with civil servants of intergovernmental organizations with a similar mandate. Do officials of the FAO (Rome) or the IEA (Paris) have greater scope of discretion and weight of influence over global food and energy outcomes than do officials in Agriculture or FEA in Washington? Are their sources of information about global production and consumption superior? Do they spend more time in international meetings? Do they have a greater sensitivity to the internal problems of several states or a greater sense of responsibility toward the solution of global problems? It is possible that these international civil servants do not. In any event, it is clear that domestic bureaucrats do have some responsibilities and attitudes we would expect to find among bureaucrats in international organizations. Moreover, international bureaucrats are likely to be concerned with the promotion of their own bureaucracy, even if that requires acceptance of limits on their effective action to solve international problems set by what is acceptable to the foreign policy elites of diverse states. The research suggested by these questions would help us determine whether international organization, in its broad functional sense, is growing within domestic government bureaucracy, growing perhaps at a greater pace than it is at the level of supra-national, intergovernmental institutions.

Another conclusion suggested by this research is that the attitudes of domestic government bureaucrats will be important in determining how international problems are solved. Among states where national bureaucracies have had an expanding role in regulating transnational relations, the sensitivities, predispositions, and mood of domestic bureaucrats will affect the degree of cooperation and collaboration that occurs and the extent to which mutually satisfying outcomes are reached. Even when predispositions are favorable, as between the US and Great Britain, and when foreign policy elites are primarily involved, crises of management can arise as Neustadt has demonstrated in his study of the Suez and Skybolt crises.<sup>45</sup> Yet in transgovernmental "domestic" areas cooperation has had some success. The cooperation of the US and Canada with respect to energy, especially oil, was considerable given the strain caused by Canada's decision to reduce exports at a time when US dependency on OPEC countries was increasing.<sup>46</sup>

<sup>45</sup> Richard E. Neustadt, *Alliance Politics* (New York: Columbia University Press, 1970).

<sup>46</sup> One FEA official recounted the major efforts that he and other US officials had made to "depoliticize" energy relations through consultations with Canadian officials and concerted pressure within the US government during 1974 and early 1975. Interview, June 6, 1975. Similarly, Nye stresses the move toward bureaucratic agency resolution in US-Canadian relations in his essay, "Transnational Relationships and Interstate Conflicts: An Empirical Analysis," *International Organization* 28 (Autumn, 1974): 961-98.

If officials in US domestic bureaucracy acquire a greater sense of foreign policy responsibility and develop routines calling for a search for "mutual solutions," this is likely to promote a general acceptance of interdependence and the development of shared norms and more institutionalized patterns of mutual accountability across nations. We may recall that the predispositions of these officials will "define the situation" for them; and their definition of the situation will determine what avenues of problem solution they follow. Certainly attitudes alone, especially if they are in opposition to underlying reality, will not govern the pace or extent to which organizational capacity emerges to manage global problems arising from interdependencies. Nevertheless, the knowledge, experience, and outlook of domestic government officials now responsible for various parts of international activities do establish the framework within which future evolution toward more comprehensive or holistic approaches to global problem-solving will occur.<sup>47</sup>

Robert Cox has proposed three broad approaches for speculation about future world order. He is critical of the liberal-pluralist and positivist-evolutionary approaches, and inclines toward seeing conflict and crises as leading to structural changes.<sup>48</sup> While such dramatic and dialectical changes *are possible*, the growing role of US domestic government bureaucracy in managing aspects of international order suggests that evolutionary, accretional, modifications *are more than possible, they are occurring*. Future world order, then, may well be emerging from the gradual shifts in the tasks, responsibilities, and loyalties of domestic government bureaucrats. The US bureaucracies, including domestic departments and agencies and by extension other national governments as well, through participation in transgovernmental networks and through provision of collective benefits, lay the foundation for a transformation of world order. Such a change, however, is likely to be gradual, occurring over decades at best. Dramatic, rapid events, such as those Cox foresees, can crystallize and publicize a new world order only after underlying changes in domestic national societies are well advanced.

<sup>47</sup> For the importance of attitudes in shaping organizational behavior see Alexander George, "Toward a More Soundly Based Foreign Policy," *Report of the Commission on the Organization of the Government for the Conduct of Foreign Policy*, Appendix D (Washington: GPO, forthcoming, 1976). Ernst Haas, "Is There a Hole," discusses the prospects of provisional wholes emerging in "technology-task-environments" when interdependence creates purposes and knowledge upon which new international regimes can be built.

<sup>48</sup> Robert W. Cox, "On Thinking About Future World Order," *World Politics*, 28 (January 1976): 175-96. It is difficult to be sure whether the differences Cox finds among his three approaches are due to basic theoretical differences or to a focus on a different time frame in which change events are likely to occur. In any event both his favored historical-dialectic approach and the emphasis I have placed on the attitudes of bureaucratic managers emphasize the role of ideas in change as human minds respond to "facts" that confront them with new interpretations of reality and the obligations that follow.