Lessons Learned from Prior Attempts at National Security Reform

The Project on National Security Reform
Overarching Issues Working Group

Drew Cramer & Grant Mullins
Thomas Jefferson Program in Public Policy
The College of William & Mary

EXECUTIVE SUMMARY

The National Security Act of 1947 established the modern American national security system, consisting of the National Security Council, the Department of Defense, and the Central Intelligence Agency. While this framework attempted to adapt to the post-World War II security environment, the United States must now re-adapt its national security structure to the exigencies of the post-Cold War era. Since the fall of the Berlin Wall, the emergence of failed states, globalization, and increased terrorism combined with technological and communication advancement, demand a modification of the system to respond to contemporary threats.

However, the need to improve policy integration does not automatically overcome the impediments of political reality. The turf battles that ensue when attempting to change the national security apparatus can hinder effective reform. To shape reforms that can be implemented effectively, this report attempts to enumerate the characteristics of successful reform attempts by examining past reform attempts to the national security system.

Through our research, we have identified several trends that contribute significantly to the success of a reform attempt. The report is comprised of nine chapters, many of which contain multiple reforms. These nine reform areas were chosen to represent a wide variety of subject areas and methods of implementation spanning the previous sixty years. Reforms were examined relating to the organization of the National Security Council, the Department of Defense, the intelligence community, Congress, and the Department of Homeland Security. The reforms were implemented through congressional statute, executive order, and managerial initiative.

Four questions are pertinent to each set of reforms:
1. What was the original problem the reformers were trying to solve?
2. What did their preferred solution look like?
3. To what extent was their solution effective?
4. What implications for present-day reformers can be drawn from this reform?

Lessons learned from each chapter are summarized at the end of each section, and a synthesis of these findings is contained in the conclusion. Rather than focusing on the substance of each reform, the conclusions draw lessons from the process of reform. In other words, in lieu of addressing the question of whether a reform endorses appropriate policies, the study examines the ability of reformers to implement a solution responds to the problems they wished to address.

The study draws the following conclusions about national security reform:

1.   Presidential impetus is an important factor in determining the success or failure of a set of reforms.

2. The president's experience and management style shape executive reforms and the structure of entities under the president's purview.

3.   Presidential commissions are much more effective vehicles for reform than congressional committees.

4.   Broad congressional reform should be conducted under the proper set of circumstances.

5.   The nature of the political climate, both inside and outside of Congress, may have implications for the success or failure of congressional reform attempts.

6.   Congress can build on presidential executive orders by introducing parallel legislation.

7.   Congress can initiate reform that the White House can carry to fruition.

8.   The nature of the relationship between the executive and legislative branches can influence the content of reforms as well as the likelihood of their adoption.

9.   In the case of internal or informal reforms, external conditions must foster a reform environment.

10.   Scandal or crisis may play a role in determining the outcome of a reform attempt.

INTRODUCTION

The 1947 National Security Act and its subsequent 1949 amendments created the national security apparatus under which the United States has operated for more than a half century. As technology has advanced and new threats have arisen, this structure has undergone multiple modifications. Yet these reforms have failed to fully integrate the fragmented elements of national security decision-making. In order to equip the nation with the instruments needed to deal with the challenges of the post-Cold War environment, new innovations and alterations must be implemented. The purpose of this study is to evaluate both failed and successful attempted changes to the national security structure, and from that evaluation, identify trends which can contribute to the development of a cogent strategy capable of surmounting the political and policy obstacles to successfully overhaul the US national security system.

President Harry Truman signed the National Security Act on 26 July 1947. The new law established a series of bureaucratic entities with the goal of coordinating an adequate network of presidential support in the execution of foreign and military strategy. One of these new entities was the National Military Establishment (NME), which streamlined the Departments of War and Navy and placed them under the jurisdiction of the new Secretary of Defense, while also creating a separate Department of the Air Force. Another new organization was the National Security Council, which would be utilized by the president to coordinate foreign policy within the executive branch. Only four individuals were specified by statute as members of the council: the president, vice president, and the secretaries of state and defense. The Act also created the first permanent peacetime intelligence gathering organization: the Central Intelligence Agency. The CIA chief was not only designated as head of the CIA, but as Director of Central Intelligence, and was tasked with collecting and presenting all of the nation's intelligence to the NSC. The

DCI was designated as the chief intelligence advisor to the new NSC. The Joint Chiefs of Staff were also created, and the Chairman of the Joint Chiefs was appointed chief military advisor to the NSC. In 1949 the Act was amended by eliminating the three military departments as executive cabinet level agencies, giving the Secretary of Defense more budgetary ability, and placing the Air Force under the purview of the Department of Defense, as the amendment renamed the NME.[1]

The creation of the 1947 National Security Act was the culmination of years of research and planning combined with an opportune moment to implement a new political-military structure created by President Truman's support of such a statute. As the clouds of World War II gathered over Hitler's Germany, Secretary of State Cordell Hull proposed the creation of a coordinating committee including representatives of the state, war, and navy departments. The Standing Liaison Committee, as it became known, only facilitated the flow of information between departments; it had no mandate to advise the president and had virtually no contact with the executive. The committee was disbanded in 1943.[2]

As the war drew to a close, the allies began to plan for the occupation of the defeated axis powers. Because of the need to coordinate surrender terms, deliver aid, and rebuild the occupied nations, the State-War-Navy Coordinating Committee was created to plan for the allied occupation of Germany, Austria and Japan. The committee was composed of assistant secretaries from the various departments and forced the separate departments to reconcile their

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[1] The National Security Act of 1947, 50 U.S.C. 401; Samuel A. Tucker, ed., A Modern Design for Defense Decision, A McNamara-Hitch-Enthoven Anthology, (Washington, DC: Industrial College of the Armed Forces, 1966), 50.

[2] Karl Inderfurth and Loch K. Johnson, Fateful Decisions, (New York: Oxford University Press, 2004), 1, 2.

differences before submitting recommendations to the president or the heads of the military

branches.[3]

However, the Coordinating Committee only worked on issuing policy recommendations

when one of the departments issued a question to the committee. It was never given a mandate

by Congress, and the country was left with no policy recommendation board capable of

addressing foreign policy questions on a regular basis. President Truman, Secretary of the Navy

James Forrestal, Secretary of State George Marshall, and others saw the benefits of having such

a permanent committee. Throughout late 1945 and 1946, President Truman and Secretary

Forrestal crafted the provisions of the 1947 Act that created the National Security Council.[4]

Each year, numerous pieces of legislation and executive orders are issued that attempt to

modify, either incrementally or drastically, the national security structure. When deciding how

to best approach this project, it was necessary to narrow the scope of the reforms and develop a

strategy that would render the most useful findings to the reader. We have constructed nine

chapters, which include approximately twenty-five reform attempts, representing attempts to

change the intelligence community, the NSC, the budgetary process, congressional oversight,

and intra-departmental restructuring through both formal and informal mechanisms.

It should be stated up front that this report is not an in-depth analysis of the substance of

each reform. The legal complexities and layers of policy issues that accompany every reform

attempt were not our concern. The reform critiques that are present in the report exist only to

determine the effectiveness of the reform, not to determine whether or not the reform was the

best policy. The central question we asked when looking at each reform was "how?" not "what?"

In each of the nine chapters, we have addressed a series of questions that enable the reader to see

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[3] Ernest R. May, "The Development of Political-Military Consultation in the United States," in <u>Fateful Decisions,</u> Karl Inderfurth and Loch Johnson, editors, (New York: Oxford University Press), 13.
[4] Ibid., 14.

both the complexity of the issues and the effectiveness of the reforms involved. The outline is as follows:

1. What was the original problem the reformers were trying to solve?

2. To what extent were the reforms able to implement their solution?

3. To what extent was the solution effective?

4. What implications for present-day reformers can be drawn from this reform?

Chapter one addresses the changes President Eisenhower made to the National Security Council. With the assistance of Robert Cutler, President Eisenhower deconstructed President Truman's NSC structure and replaced it with one reflecting his own personality and military managerial style. To facilitate this system, Eisenhower created the position of Special Assistant to the President for National Security Affairs in addition to the Executive Secretary. Commonly known as Eisenhower's "policy hill," he bifurcated the policy responsibilities of the NSC between the Policy Board, to deal with "big picture" strategy, and the Operations Coordinating Board, which dealt with interdepartmental coordination.

Chapter two evaluates how President Kennedy decided, upon the advice of Senator Jackson's Subcommittee on National Policy Machinery, to phase out Eisenhower's policy hill. Kennedy issued an executive order disbanding Eisenhower's Operations Coordinating Board. In addition, Kennedy ended the activities of the Planning Board simply by failing to use it. Instead of Eisenhower's rigid NSC structure, Kennedy adopted a more consultative and informal approach to national security policy-making.

Chapter three analyzes the internal reforms of President Kennedy's Secretary of Defense, Robert McNamara. As part of an attempt to centralize the decision-making process of the Department of Defense under civilian control, McNamara implemented a new Planning,

Programming and Budgeting System (PPBS). This system was responsible for introducing

models of benefit-cost analysis into the decision-making structure at the Department of Defense.

From a study of the implementation of PPBS, the reader will gain a greater understanding of the

nuances involved in an informal departmental set of reforms.

Chapter four deals with the multiple reforms of the 1970s. This chapter covers the

longest period of time and primarily focuses on the reforms that were created as a result of the

fallout from the Watergate Scandal and the subsequent congressional investigations.

Chronologically tracing the reforms of this decade as they move across three different

administrations and multiple Congresses sheds light on the importance of coordination between

the executive and legislative branches of government. The reader is also able to compare the

effectiveness of presidential commissions versus congressional committees for the first time and

see the complex interplay of executive orders and congressional statutes.

In chapter five we explore the "power of the purse." Responding to President Nixon's

abuse of his prerogative to impound funds appropriated to executive agencies, Congress passed

the Congressional Budget and Impoundment Control Act of 1974. The Act reclaimed control

over the federal budget for the legislative branch and improved the ability of Congress to

exercise tighter supervision over the appropriations process. Viewed largely in terms of a

struggle between the executive and legislative branches of government the Budget and

Impoundment Act reveals the extent to which Congress can build consensus to enact meaningful

reform.

The Goldwater-Nichols Act of 1986 is the subject of chapter six. Overcoming opposition

by the Joint Chiefs of Staff and the Secretary of Defense, reformers in Congress succeeded in

passing landmark legislation reorganizing the Department of Defense. By streamlining the chain

of command, centralizing authority with the Secretary of Defense, and reforming the Joint Chiefs of Staff, Goldwater-Nichols provided a legislative basis for improved coordination of military planning and operations. In addition to its substantive value, Goldwater-Nichols provides insight into the process of reform, as congressional reformers rose above considerable opposition to implement their preferred solution.

Chapter seven covers the Iran-Contra affair as well as the investigations and reform attempts spawned by the scandal. Both Congress and the executive branch created investigative committees to determine how the NSC had overstepped its authority by implementing policy in conjunction with the CIA instead of formulating it and advising the president on security matters. External variables such as the fall of the Soviet Union and the implementation of informal reforms may have had a hand in defeating any reforms from Congress resulting from the investigations. Chapter six allows the reader to see how internal NSC reforms through executive order as well as the personalities involved can affect the outcome of a reform attempt. The Tower Commission, the Hamilton-Inouye joint committee, National Security Advisor Brent Scowcroft's reforms and legislative attempts to amend the 1947 Act are all discussed.

Chapter eight addresses the inability of President Clinton's Presidential Decision Directive 56 to affect real change to the interdepartmental coordinating of complex contingency operations within the NSC even while he remained in office. How could other executive orders be so successful and this one fail? This chapter shows how the managerial style of the president as well as the wording of executive orders can determine how successful an executive order becomes. As American involvement in peacekeeping operations becomes more common, it is important to understand how the cooperation of both the military and civilian services must work

together to not only coordinate US strategy on the ground, but to utilize international and non-government organizations as well.

The final chapter is the anomaly of this report. It offers no critique, and instead, focuses on the congressional process that brought about the Department of Homeland Security in the wake of the 9/11 attacks. Unlike the other eight chapters, we do not have the luxury of hindsight to evaluate how successful the post 9/11 reforms have been in making the homeland security apparatus a viable tool to address the problems of our day. The reform attempts do, however, give the reader perhaps the greatest insight into how reform is used to further political goals and how congressional politics can craft a reform's final outcome.

As we surveyed reform attempts from the last fifty years, trends began to emerge that many times transcend the various time periods in which reforms took place. It is our opinion that it is these trends that are most valuable to today's reformer. These include, among others, the power of the executive to move congressional reform forward, the ability of a presidential commission to garner more attention and credibility than a congressional committee, and the necessity of Congress to coordinate interdepartmental reforms with the White House.

At the conclusion of the report, we offer a synthesis of the implications we have identified throughout our nine chapters. We believe that as the challenges of the post-9/11 world continue to emerge, continuous adjustment will be required to structure America's national security system to respond to those challenges. It is our hope that this report will be a formidable tool that will instruct the reformer in the daunting task of improving the national security apparatus.

CHAPTER 1

<u>**Creation of the NSC Planning Board and Operations Coordinating Board (1953)**</u>

The modern American national security system has its roots in the National Security Act of 1947, which established the National Security Council (NSC), a body of advisors to the president on national security affairs. The first president with access to the NSC, President Harry Truman, largely sought to limit its role until the beginning of the Korean War. However, if Truman limited the role of the NSC in policy formulation and integration, Dwight D. Eisenhower institutionalized that role by establishing a complex system of committees and staff processes under the auspices of the NSC.[5] Despite the complexity of the system, Eisenhower's process of reform itself was anything but formal or institutionalized. Instead, reforms to the NSC under Eisenhower were implemented largely on an ad hoc basis in response to the evolving needs of the administration. Eisenhower's true reforms to the NSC system can be thought of as a new way to conceptualize the organization and use of the NSC, which Robert Cutler, Eisenhower's national security advisor, dubbed the "policy hill." Since Eisenhower's reforms were both conceptual and structural, the resulting national security system was tailored to the executive decision-making process not as Truman conceived of it, but as Eisenhower practiced it.[6]

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[5] Stanley L. Falk, "The National Security Council Under Truman, Eisenhower, and Kennedy," *Political Science Quarterly*, 79, no. 3, (1964), 420.

[6] Ibid, 418.

As part of his 1952 presidential platform, General Eisenhower criticized President Truman's foreign policy, arguing that Truman had been too "soft" on Communism.[7] According to Anthony Lake, Eisenhower's stance can be at least somewhat explained by partisan electoral politics: "Eisenhower was being pressured from the right in his own party, by people like Ohio Senator William Taft and others, to take a very tough stance versus the communists [...] This boxed him in when he became president."[8] To distance his campaign from Truman's Cold War policy, Eisenhower critiqued Truman's National Security Council. In two notable campaign speeches, Eisenhower proposed changes to Truman's NSC that would allow that body to be more responsive to the Cold War and its new attendant political and military realities.[9] Eisenhower alleged that Truman's NSC was too ineffectual to respond to the dynamic demands of the Cold War, that the administration responded too slowly to changes on the international scene, and that the NSC lacked the capability to engage in effective long-term strategic policy planning.[10] In the broadest sense, Eisenhower believed that Truman failed to use the NSC in accordance with the original intent of the 1947 National Security Act.[11] According to Eisenhower, "The failure of this agency to do the job for which it was set up—to make the right plans in time—produces waste on a grand scale...The National Security Council as presently constituted is more a shadow agency than a really effective policymaker."[12] In response to his critique of Truman's stance on communism, Eisenhower looked to the NSC to better respond to the political and military demands of the post-World War II era.

[7]David J. Rothkopf, Running the World: The Inside Story of the National Security Council and the Architects of American Power, (New York: Public Affairs, 2005), 63.

[8] Ibid., 64.

[9] Anna Kasten Nelson, "The 'Top of Policy Hill': President Eisenhower and the National Security Council," *Diplomatic History*, 7, no. 4 (1983), 308.

[10]John Prados, Keepers of the Keys: A History of the National Security Council from Truman to Bush, (New York: Morrow, 1991), 57.

[11] Ibid., 57.

[12] Karl Inderfurth and Loch K. Johnson, Fateful Decisions: Inside the National Security Council, (New York: Oxford University Press, 2004), 28.

Besides Eisenhower himself, the man most responsible for the campaign speeches criticizing Truman's NSC was a Boston banker and Eisenhower supporter, Robert Cutler.[13] Although not particularly knowledgeable of foreign affairs, Eisenhower came to trust Cutler largely because of his organizational and managerial expertise, to the point that Cutler became Eisenhower's first national security advisor.[14] The day after his inauguration, Eisenhower asked Cutler to conduct a study on the organization and operation of his new National Security Council.[15] Eisenhower specifically wanted to know how best to broaden the role of the council so it could more effectively advise the president on national security policy. From January to March 1953, Cutler embarked on an extensive and solitary examination of the origins and uses of the council. He interviewed former NSC participants, examined volumes of reports, organized two conferences, discussed reforms with the president, and consulted with the President's Advisory Committee on Government Organization.[16] On 16 March 1953, Cutler presented his report to the new president, who adopted it as policy the following day.[17]

A number of key concepts regarding the proper organization and use of the National Security Council guided Cutler's work.[18] First, Cutler emphasized the fact that the NSC is, above all, a presidential advisory body. As such, it must necessarily be adaptable to the management styles and preferences of individual presidents. Second, Cutler addressed the conflict between efficiency and inclusiveness in NSC meetings. That is, as more policy actors are allowed to attend meetings, the efficacy of the meetings inevitably declines. This leads to the

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[13] Prados, 57; Meenekshi Bose, <u>Shaping and Signaling Presidential Policy: The National Security Decision Making of Eisenhower and Kennedy</u>, Joseph V. Hughes, Jr., and Holly O. Hughes Series in the Presidency and Leadership Studies, no. 2, (College Station: Texas A&M University Press, 1998), 12.

[14] Nelson, 309.

[15] Bose, 12.

[16] Nelson, 309; James S. Lay and Robert H. Johnson, <u>Organizational History of the National Security Council during the Truman and Eisenhower Administrations</u>, (Washington, DC: Central Intelligence Agency, 1960), 24.

[17] Lay and Johnson, 24.

[18] Ibid., 23.

need to discover a proper size for NSC meetings. Third, Cutler noted the need for the NSC to become a highly active and vigorously critical organization capable of providing the president with dynamic and informed advice. Related to this approach is the necessity for policy discussions to lead to papers that avoid either *ex parte* presentation or, conversely, the suppression of minority viewpoints. In addition, it was important for both Eisenhower and Cutler that all NSC participants be advisors to the president instead of representatives of their respective departments. Finally, Cutler was adamant that policy planning and formulation did not in themselves constitute effective national security policy. In addition to planning, the NSC must also integrate and coordinate policy implementation.

At the beginning of his March 1953 report, Cutler determined that no congressional legislation was necessary to affect change in the NSC, since the council was placed by statute at the disposal of the president.[19] Similarly, Cutler refrained from recommending reforms that would require formal executive orders by Eisenhower. Instead, all of Cutler's reforms were implemented informally by presidential directive within mere months of Eisenhower's taking office.[20]

Cutler's reforms began with the composition and function of the National Security Council itself. Responsible for advising the president at the highest level of the national security system, the NSC was composed of six statutory members: the President, the Vice President, the Secretary of State, the Secretary of Defense, the Director for Mutual Security, and the Director of the Office of Defense Mobilization.[21] In addition to the statutory members, Cutler suggested that the Secretary of the Treasury and the Director of the Bureau of the Budget be allowed to attend NSC meetings to ensure that economic implications of national security decisions were being

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[19] Lay and Johnson, 24.
[20] Prados, 62.
[21] Lay and Johnson, 24.

considered.[22] Departing from the practice under the Truman administration, Cutler further recommended that the Vice President act as the chair of the NSC in the president's absence, rather than the Secretary of State.[23] This arrangement had the purpose of eliminating possible departmental bias in the NSC.

In addition to the NSC itself, Cutler's report established elaborate machinery subordinate to the main council. The first component of this substructure was the NSC Planning Board. Evolved from President Truman's "Senior Staff," the Planning Board engaged in the formulation of policy papers for the president and the NSC.[24] The Planning Board was comprised of department representatives at the assistant secretary-level. To ensure independence from departmental views, Board members were nominated by their departments but appointed by the president.[25]

Whereas the NSC Planning Board was responsible for formulating national security strategy and policy, the Operations Coordinating Board (OCB) coordinated the implementation of national security policies at the interdepartmental level. As originally conceived by the 1947 National Security Act and practiced by the Truman administration, the NSC did not contain a formal mechanism to follow up on presidential decisions.[26] Before the creation of the OCB, the president simply directed a department, usually the Department of State, to take the lead in coordinating the implementation of interagency policies.[27] However, during the Eisenhower administration, the OCB developed organically in response to a perceived need for a formal structure to centralize the interagency process.

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[22] Bose, 12.
[23] Lay and Johnson, 24.
[24] Prados, 70.
[25] Ibid., 62.
[26] Ibid., 64.
[27] Lay and Johnson, 35.

In January 1953, President Eisenhower established the President's Committee on International Information Activities to conduct a survey and evaluation of the international information policies and activities of the executive branch.[28] Chaired by William H. Jackson, the committee produced a report in June 1953 arguing that the Psychological Strategy Board (PSB), the only functional unit existing in President Truman's NSC, no longer served its purpose and that it should be replaced with the OCB.[29] Thus, according to Robert Cutler, "The OCB arose like a phoenix out of the ashes of the old Psychological Strategy Board."[30] On 3 September 1953, President Eisenhower issued Executive Order 10483 creating the Operations Coordinating Board.[31] At its conception, the OCB existed as a separate body outside of the NSC structure. However, in February 1957, President Eisenhower issued Executive Order 10700 formally placing the OCB within the structure of the NSC.[32] Although the OCB was not included in the original Cutler report, it nonetheless came to play a central role in the Eisenhower NSC system.

Eisenhower's national security apparatus, consisting of the National Security Council, the NSC Planning Board, and the Operations Coordinating Board, is often referred to as the "policy hill." In an article in *Foreign Affairs,* Robert Cutler describes this nomenclature:

> Assume that the National Security Council sits at the top of policy hill. On one side of the hill, policy recommendations travel upward through the Planning Board to the council, where they are thrashed out and submitted to the President. When the President has approved a policy recommendation, it travels down the other side of the policy hill to the departments and agencies responsible for its execution. [...] Part way down the side of the hill is the Operations Coordinating Board.[33]

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[28] Ibid, 36.
[29] Lay and Johnson, 36; Prados, 64.
[30] Falk, 420.
[31] Lay and Johnson, 28; Prados, 64.
[32] Lay and Johnson, 41; Prados, 65.
[33] I. M. Destler, Leslie H. Gelb, and Anthony Lake, Our Own Worst Enemy: The Unmaking of American Foreign Policy, (New York: Simon and Schuster, 1984), 172.

Thus, the three main components of Eisenhower's policy hill were meant to interact so that they could provide the president with a comprehensive policymaking and policy implementation process.

Managing this complex and lengthy NSC process was the task of the Special Assistant to the President for National Security Affairs (commonly known as the national security advisor). A position originally proposed by Eisenhower's first national security advisor, Robert Cutler, in his 1953 paper, the position quickly evolved to the stature of a cabinet post. In the Eisenhower administration, the national security advisor replaced what was known as the Executive Secretary under the Truman Administration.[34] While the Executive Secretary became the head of the NSC permanent staff under Eisenhower, the national security advisor became the advisor responsible for the smooth functioning of the NSC as a whole.[35] In addition to acting as the chair of the Planning Board and the OCB, the national security advisor was also the Executive Officer of the NSC.[36]

Following on the separation of planning and operations inherent in Cutler's conception of policy hill, Eisenhower also created an operational position to mirror the position of the national security advisor. If the national security advisor was regarded as the head of the NSC planning process, then the Staff Secretary was responsible for the day-to-day operational side of Eisenhower's NSC.[37] Though the Staff Secretary position provided the perfect structural counterweight to the position of national security advisor, it developed in an organic manner, just as the OCB became the organizational counterweight to the NSC Planning Board. No report

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[34] Lay and Johnson, 26.
[35] Ibid., 26; Nelson, 318
[36] Lay and Johnson, 26.
[37] Nelson, 318.

recommended the role of staff secretary and no presidential directive established it.[38] Instead,

President Eisenhower simply announced the position's existence. According to General Andrew

Goodpaster, "When some paperwork got crossed up—someone had done something unaware

that another line of activity had begun. [Eisenhower] said, "I look to my staff to keep such

things straightened out. I should not have to be my own sergeant major..."[39] When a similar

event occurred about ten days later, Eisenhower declared, "I told you I don't plan to be my own

sergeant major, and I don't. I want to have a staff secretary, and General Paul Carroll, you're

going to be the staff secretary now." As an assistant to the president, the staff secretary was

responsible for managing the president's paper flow, attending most of his meetings, reviewing

sensitive intelligence activities, briefing the president, and ensuring policy coordination among

the departments and agencies.[40]

From the above description of Eisenhower's NSC system, it should be clear that the

Eisenhower administration relied on a complex yet efficient system for formulating and

implementing policy. In the words of Stanley Falk, "The NSC system consisted of the central

Council supported by a grid of highly standardized procedures and staff relationships and a

complex interdepartmental committee substructure."[41] However, such a description of

Eisenhower's NSC system may give the impression that the reformers responsible for putting

such a system in place were themselves engaged in a highly innovative and intricate process of

reform. While this is true regarding the content of the reforms, the process by which the

Eisenhower administration implemented its reforms was ad hoc, organic, and evolutionary.

Above all, the process was disorganized and informal. The bulk of the Eisenhower reforms

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[38]Amy B. Zegart, Flawed by Design: The Evolution of the CIA, JCS, and NSC, (Stanford, CA: Stanford University Press, 1999), 82.
[39] Destler et al., 176.
[40] Zegart, 82.
[41] Falk, 418.

came out of a single 30-page report written by Robert Cutler, Eisenhower's first national security advisor. The intention of this report was not so much to create new NSC mechanisms as improve upon the mechanisms existing under the Truman administration, such as the Senior Staff and the council itself.[42] Subsequent reforms such as the creation of the OCB and the position of Staff Secretary evolved out of continuing assessments, whether by a special committee established by the president or by the president himself, regarding the efficacy of policy formulation and implementation as it was practiced in the White House.

The real innovation of Eisenhower's reforms came from two factors having little to do with the substance of the reforms themselves: the conceptualization of the NSC policy hill as a sequence of interrelated processes contributing to coherent national security policy and the practical use of such an instrument by an experienced and diligent administration. While the component parts of Eisenhower's policy hill were recognized at least in theory before Cutler's reforms, the idea of the NSC as a policy system or a machine that could streamline the intellectual and organizational elements of this process required considerable imagination and foresight on the part of Eisenhower and Cutler. To realize that policy could be improved by creating a policy apparatus required the experience and intellect of a superior military mind combined with the innovative and organizational thinking of a highly successful businessman. Similarly, the discipline required to maintain such a system in any sort of functioning order was taxing. The NSC held 346 meetings during Eisenhower's eight-year tenure in the White House as compared to 128 meetings in just over five years under Truman.[43] Eisenhower attended almost 90 percent of the NSC meetings.[44]

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[42] Nelson, 309.
[43] Destler et al., 172.
[44] Rothkopf, 67.

While Eisenhower's process of reform was successful largely because of his conceptualization of the instruments available to him and because of the way he used these instruments, it is still unclear to what extent the reforms were substantively successful. As discussed in the next section of the paper, critics of the Eisenhower system such as Senator Henry Jackson and President John F. Kennedy pointed out the flaws in Eisenhower's system, namely an excessive reliance on formal bureaucratic processes leading to stagnation and diluted policy. However, as Carnes Lord notes, "For Eisenhower, the proper function of the NSC was not policy coordination simply, and still less day-to-day decision making, but the development of national strategy. Eisenhower's articulation of the NSC system as a whole followed directly from this approach."[45] Viewed against Eisenhower's own idea of the purpose of a national security system, his reforms were most certainly effective. This is illustrated by the fact that, during two serious and prolonged illnesses in 1955-56, Eisenhower successfully left the operation of the National Security Council to his Vice President, Richard Nixon. During this time, the heads of the departments involved in national security carried on "with full knowledge of the continued validity of the broad concepts established by the President in the cumulative experience of the NSC."[46] Although Eisenhower's NSC system was unquestionably complex and bureaucratic, it served its stated purpose, namely the ability to conduct long-range strategic policy formulation.

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[45]Carnes Lord, The Presidency and the Management of National Security, (New York: Free Press, 1988), 87.
[46] Lay and Johnson, 31.

Implications:

3. **The background, personality, and political stature of principles can influence the nature of reforms.**

Dwight D. Eisenhower came to the White House with years of administrative experience in the U.S. Army and elsewhere.[47] As a result, Eisenhower advocated rigid, structured decision-making processes. His managerial style and preference for a chain of command structure are reflected in the Eisenhower NSC reforms. Similarly, Robert Cutler came to Washington after a career as a highly successful banker. His knowledge of organizational management and his ability to act as a process manager contributed to the Eisenhower reforms and to his success as Eisenhower's first National security advisor. Robert Cutler's report to President Eisenhower is an example of the influence of experience on reform content, as the report represented the application of Cutler's managerial and organizational expertise to the problem of NSC organization.

4. **Presidential impetus is an important factor in determining the success of a reform attempt.**

The National Security Act of 1947 clearly established the NSC as an advisory body to the president. Following on this idea, any change to the internal structure of the NSC must have the president's backing, as decisions regarding an advisory structure must reflect the managerial style and preferences of the president. Eisenhower was clearly behind the reforms to his NSC structure. Even before his election to the presidency, Eisenhower critiqued the structure and operations of Truman's NSC. Upon his election, Eisenhower commissioned Robert Cutler's report on NSC organization, approved his recommendations, signed the executive order creating the OCB, and created the position of Staff Secretary. During the subsequent implementation

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[47] Prados, 57.

period, Eisenhower's intense involvement in the NSC process served to solidify the mechanisms

enacted in his reforms.

5. **Raising reform as an issue in a presidential campaign increases the likelihood of success by placing reform on the national agenda and establishing a presidential priority.**

General Eisenhower launched a critique of Truman's NSC while running for president in 1952.

Upon entering office, NSC reform was already clearly established as a priority on the

presidential agenda. President Eisenhower asked Robert Cutler to launch a study of the NSC

structure the day after he entered office, allowing Eisenhower to implement his reforms within a

few months of entering office. Had Eisenhower waited until entering office to begin the process

of reform, the implementation of his reforms may have been hampered by the solidification of ad

hoc procedures established during the transition period. To the extent possible, reformers of the

NSC should properly time the release of reform recommendations to occur near the end of a

presidential campaign.

6. **Politics, as much as the need to respond to a given set of problems, may determine the content and implementation of reforms.**

While reforms must necessarily seek to remedy ailments in structure or process, reformers are

political actors operating in the political domain. It may often be the case that political

considerations influence reform attempts. In this case, President Eisenhower was pushed to

pursue a hard stance against Communism both by hard-line elements within his party and by a

necessity of distancing his campaign from the campaign of Adlai Stevenson. This electoral

stance had binding implications on the new president once he took office, as Eisenhower was

forced to maintain a course that he had chosen during the presidential campaign. NSC reform,

while not the main feature of this course of action, was related to Eisenhower's stance on Communism.

7. **The conceptualization and mode of implementation of a reform is just as important as the reform's content.**

Seemingly insignificant reforms can have important consequences. Conversely, seemingly important reforms can have insignificant consequences. Related to these two scenarios are two aspects of reform that are equally as important as the content of the reform itself. First, it matters a great deal how opponents and advocates alike perceive a set of reforms. As argued in this section, one of the chief successes of Eisenhower's reforms was the ability of the administration completely to re-conceptualize NSC design into an image of a policy hill. This image lent a certain stature to the reforms, as actors within the NSC system benefited from knowing how their efforts contributed to the objectives of the NSC as a whole. Second, the mode of reform implementation is equally as important. Eisenhower's disciplined implementation of his NSC reforms transformed a set of ad hoc reforms into well-developed national security machinery.

8. **Complex reforms need not always be implemented by formal, organized means.**

Most reforms to the national security system are implemented informally on an continuing basis. Rather than plotting a grand strategy, reformers often use a strategy relying on incremental methods, simply reacting to the shortcomings of the current organizational framework. For example, Eisenhower's complex NSC reforms relied on a report compiled by Robert Cutler, an executive order, and an executive declaration creating the position of Staff Secretary. Rather than a comprehensive process of reform, Eisenhower's reforms were implemented on an incremental basis in response to the needs of the administration.

CHAPTER 2

The Jackson Subcommittee and Kennedy NSC Reforms

Upon assuming office in January of 1960, President John F. Kennedy was confronted

with a national security system that was significantly bureaucratized and rigidly structured.

During his first few months in office, Kennedy and his new national security advisor, McGeorge

Bundy, began a process of dismantling President Dwight D. Eisenhower's national security

structure, dubbed the "policy hill." Strongly influenced by Senator Henry Jackson's

Subcommittee on National Policy Machinery, this process of NSC reform occurred primarily

through informal means, save for Executive Order 10920, issued to eliminate Eisenhower's

Operations Coordinating Board. What was the process by which Kennedy proceeded with the

reorganization of his NSC? In identifying some of the key attributes of Kennedy's reforms, this

section of the paper will provide insight into the process of instituting informal NSC reforms.

While Kennedy used his considerable political influence as president to smoothly and quickly

enact reforms to the NSC structure, he also discarded practical knowledge that had accrued

during the preceding years in his haste to dismantle the Eisenhower system. Any lessons learned

from this presidential transition period invariable lead to the adoption of an even-minded

approach to reform: one of carefully weighed pragmatism and experience leading to a balance

between institutionalization and informality.[48]

President Kennedy's reforms of the National Security Council came at a time when the

United States was embroiled in a global battle of ideology and arms competition with the Soviet

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[48] US Senate and Henry M. Jackson, *Organizing for National Security: Final Statement of Senator Henry M. Jackson, Chairman, Subcommittee on National Policy Machinery or the Committee on Government Operations, United States Senate*, (Washington, DC: GPO, 1961).

Union. Like Eisenhower before him, Kennedy restructured his NSC in response to the changing

demands of the Cold War. In a speech before his election to the presidency, Kennedy positioned

his reforms in relation to the Soviet Union: "To be sure, we have, in 1960, most of the formal

tools of foreign policy [... But] we have failed to appraise and re-evaluate these tools in the light

of our changing world position. We have failed to adapt these tools to the formulation of a long-

range, coordinated strategy to meet the determined Soviet program for world domination."[49]

Kennedy justified his changes to the NSC in relation to the evolving role of the United States in

the world, specifically in relation to the Soviet threat.

Although Kennedy and his associates couched the debate using Cold War rhetoric, they

were also responding to perceived problems with the organization and operation of Eisenhower's

NSC. By 1960, there was widespread criticism of Eisenhower's NSC as a cumbersome and

overly bureaucratic system.[50] Overall, critics claimed that the Eisenhower NSC had lost the

ability to think and plan critically, since it was a body operating on the basis of consensus rather

than constructive dissent.[51] Further, commentators found fault in both sides of Eisenhower's

policy hill: the NSC Planning Board and the Operations Coordinating Board (OCB). The

Planning Board, responsible for producing policy papers on various issues in national security,

was strongly influenced by departmental viewpoints and biases.[52] Disagreements between

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[49] Bromley K. Smith, Organizational History of the National Security Council During the Kennedy and Johnson Administrations, (Washington, DC: National Security Council, 1988), 6.

[50] I.M. Destler, Presidents Bureaucrats and Foreign Policy: The Politics of Organizational Reform, (Princeton, NJ: Princeton University Press, 1972), 96; Meena Bose, Shaping and Signaling Presidential Policy: The National Security Decision Making of Eisenhower and Kennedy, (College Station, TX: Texas A&M University Press, 1998), 14.

[51] US Senate, Senate Committee on Government Operations, *Organizing for National Security; An Interim Staff Memorandum C [by the] Subcommittee on National Policy Machinery*, Henry M. Jackson, Chairman, (Washington, DC: GPO, 1959), 8.

[52] US Senate, Senate Committee on Government Operations, *Organizing for National Security: Inquiry of the Subcommittee on National Policy Machinery of the Committee on Government Operations*, Vol. 1, Hearings, Vol. 2, Studies and Background Material, and Vol. 3, Staff Reports and Recommendations, (Washington, DC: GPO, 1961) vol. 3, 34.

departments inevitably obscured policy alternatives and led to the adoption of least-common-denominator solutions. The Operations Coordinating Board, responsible for coordinating the implementation of presidential decisions at the interdepartmental level, suffered from a lack of necessary authority to accomplish its mandate.[53] This lack of authority over the individual departments resulted in the OCB acting more as an advisory rather than a coordinating body.

Although criticism of Eisenhower's system was widespread, there is some evidence to suggest that such criticism may have been unfounded. Critics of the Eisenhower system, including Senator Henry Jackson and Kennedy himself, failed to consider the informal roles Eisenhower played behind the scenes with key trusted advisors. In fact, Eisenhower was much more in control of both his policy hill and of key decisions than outsiders may have imagined.[54] Nevertheless, in carrying out his NSC reforms, Kennedy was responding to a set of problems, real or perceived, having to do with the inefficient operation of Eisenhower's policy hill. Thus, the Kennedy NSC reforms must be seen as a pragmatic attempt to respond to a set of problems within a greater Cold War context. Both elements of this process have important implications for the content of Kennedy's reforms and the findings of this present study.

At the same time that Kennedy contemplated his transition into the White House, Senator Henry Jackson engaged in a comprehensive review of the United States national security apparatus. Jackson, a Senator from Washington and a vocal critic of President Eisenhower's national security policy, delivered a well-known speech at the National War College, in which he referred to the current National Security Council as "a dangerously misleading façade."[55] Acting

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[53] US Senate, Senate Committee on Government Operations, Vol 3, 37.

[54] I.M. Destler, Leslie H. Gelb, and Anthony Lake. Our Own Worst Enemy: The Unmaking of American Foreign Policy, (New York: Simon and Schuster, 1984), 180.

[55] Senator Henry M. Jackson, "How Shall We Forge a Strategy for Survival," 16 April 1959, Organizing for National Security, 11, 266-77.

on his critique of the Eisenhower administration and his own presidential ambitions, Jackson

petitioned the Senate in July 1959 to commission a "nonpartisan study of how well our

Government is now organized to develop, coordinate and execute foreign and defense policy." [56]

The Senate created the Subcommittee on National Policy Machinery, chaired by Senator

Jackson, to conduct the first comprehensive review of the national security policy process since

the creation of the National Security Act of 1947.[57]

Although Jackson's subcommittee was in the middle of its inquiry at the time of

Kennedy's transition to the presidency, the subcommittee still produced recommendations for the

incoming president regarding potential reforms to the NSC.[58] In December 1960, Jackson's

subcommittee sent a memorandum to Kennedy urging him to abolish the NSC's Operations

Coordinating Board, assign policy implementation to specific departments or interdepartmental

groups, and "deinstitutionalize and humanize" the NSC process.[59] Ultimately, the Jackson

subcommittee saw vital interest in dismantling Eisenhower's policy hill and creating a more

informal NSC structure in which divergent views could be aired for the benefit of the President's

ultimate decision.

Kennedy's reaction to the Jackson subcommittee work reveals his preference for an

informal process in the NSC. Indeed, just after his election, President-elect Kennedy indicated

how he would adapt the NSC structure to fit his own administrative style by reducing the size of

the White House staff and conducting staff operations in a less hierarchical fashion than the

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[56] Smith, 5.

[57] United States Congress, Senate Committee on Government Operations. Organizing for National Security; An Interim Staff Memorandum C [by the] Subcommittee on National Policy Machinery. Henry M. Jackson, Chairman. 1959, 2.

[58] Stanley L. Frank, "The National Security Council Under Truman, Eisenhower, and Kennedy," *Political Science Quarterly* 79, No. 3 (Sep. 1964), 427.

[59] Smith, 6.

Eisenhower NSC.[60] In addition to praising Jackson repeatedly for his work,[61] Kennedy

collaborated closely with a consultant to Jackson's subcommittee and Columbia University

professor Richard Neustadt. It was Jackson who, in September 1960, suggested to Neustadt that

he write a memorandum regarding the hoped for Eisenhower-Kennedy transition.[62] When

Jackson embraced Neustadt's report, the two men went to meet Kennedy, who immediately

asked Neustadt to write more about transformations necessary to bring about the proper

functioning of the National Security Council. Of course, Neustadt's advice reflected the stances

of the Jackson subcommittee that he helped formulate. For instance, Neustadt's memorandum of

8 December advocated expanding the role of the national security advisor to compensate for the

dismantling of the Eisenhower NSC structure. However, Neustadt advised Kennedy to wait until

after his inauguration to select a new national security advisor.[63]

During the transition period between the Eisenhower and Kennedy administrations,

Neustadt acted as a national security consultant to the new president, helping him to deconstruct

Eisenhower's elaborate NSC structure and transfer highly institutionalized roles to a more

informal structure. Although Kennedy seems to have formulated his own stance on NSC

organization and processes, he clearly sought out similar viewpoints in the work of Jackson and

Neustadt. In the end, the president relied heavily on these men to guide the specifics of his NSC

reforms.

Kennedy also relied on his new national security advisor, McGeorge Bundy, for planning

and carrying out his reform program. On 31 December 1960, in his announcement of Bundy as

national security advisor, Kennedy called on him to begin a review of the NSC's role in policy

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[60] Ibid., 9.
[61] Ibid., 6, 9.
[62] Destler et al., 82.
[63] Smith, 9.

planning and operations.[64] Bundy, along with his deputy Walt Rostow, conducted a study to

determine how they could use the national security apparatus more flexibly than in the past.

Bundy explains the assumptions underlying the study: "When we came in, it was the very strong

feeling of most of those connected with the new Administration that the Planning Board and the

Operations Coordinating Board had become rather rigid and paper-ridden organizations. Neither

of them seemed likely to be responsive to a new Chief Executive and his principle cabinet

officers."[65] If the new administration's stance regarding the need and justification for national

security reform existed before Kennedy came to the White House, the details and

implementation of the subsequent reforms came largely from Kennedy, Bundy, and Rostow

themselves.

Once Kennedy took office, he moved quickly to dismantle the NSC structure left to him

by President Eisenhower. In his drive to combine policy planning with operations, Kennedy

removed the majority of Eisenhower's national security staff machinery, including the NSC

Planning Board, the Operations Coordinating Board, the Cabinet secretariat, and the positions of

staff secretary to the president and chief of staff.[66] Most of these tasks were placed under the

purview of the national security advisor. Richard Neustadt even remarked to Kennedy that

Bundy would assume the tasks of no fewer than five Eisenhower men, including National

Security Advisor Gordon Gray and Staff Secretary Andrew J. Goodpaster.[67]

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[64] Ibid.

[65] Ibid.

[66] Meena Bose, Shaping and Signaling Presidential Policy: The National Security Decision Making of Eisenhower and Kennedy, (College Station, TX: Texas A&M University Press, 1998), 13.

[67] Smith, 12.

Within a month of taking office, Kennedy issued Executive Order 10920 disbanding the Operations Coordinating Board.[68] This executive order reduced the size of the NSC and transferred much of the responsibility of policy implementation to the executive agencies. In addition to dismantling the Operations Coordinating Board by executive order, the Kennedy team also eliminated the Policy Planning Board. However, as opposed to the OCB, the Planning Board essentially disintegrated due to lack of use. When the NSC Planning Board was not called to meet by the new national security advisor, it simply ceased to exist.[69] It was not even necessary to rescind an executive order to eliminate the Planning Board, since it was created by informal presidential administrative action. President Kennedy simply transferred the responsibilities of the Planning Board and OCB to his national security advisor, with the assertion that many of the responsibilities would automatically be assumed by the State Department.

Kennedy was able to enact his NSC reforms quickly and without notable opposition. A number of factors contributed to the successful implementation of NSC reforms by the new Kennedy administration. First, Kennedy was able to make most of his changes to the NSC within a month of taking office largely because Richard Neustadt and the Jackson subcommittee had conducted the majority of the theoretical and intellectual work associated with such reforms during the preceding months. The Jackson study and the Neustadt papers effectively provided the new president with a model of how to organize his national security council. Critical issues were identified and discussed in a way that presented Kennedy with clear options upon taking office. Second, the fact that Kennedy raised the issue of national security reform in his presidential campaign enabled him to start the process of reform immediately upon taking office.

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[68] David J. Rothkopf, Running The World: The Inside Story of the National Security Council and the Architects of American Power, (New York: Public Affairs, 2004), 85.
[69] Smith, 25.

Since the new president established reform as a priority before taking office, his moves to tailor the NSC to fit his needs could be perceived as timely and legitimate. Finally, consensus about the need for reform existed before Kennedy entered office. Reflected in the work of the Jackson subcommittee, this consensus was widespread. Eisenhower's NSC was viewed as a crippled, stagnant bureaucratic body with little ability to respond to the fast-paced needs of a Cold War international environment. Such a public view, existing prior to any action taken by Kennedy, allowed the new administration to move smoothly to enact needed reforms.

Although Kennedy's reforms were easily enacted, it is still unclear whether the reforms solved the substantive problems they were designed to address. Indeed, the legacy of the Kennedy reforms is mixed at best. On the one hand, the deinstitutionalization and humanization of the NSC under Kennedy is widely acknowledged to have contributed to the Bay of Pigs disaster.[70] After the demise of Eisenhower's elaborate planning and operations structure, poorly planned operations like Bay of Pigs became almost inevitable. In the words of General William Odom, "[Bundy] decimated the NSC staff, all that bureaucracy that Kennedy had criticized Ike for having in his NSC staff. [...] Soon after the Bay of Pigs, he apparently realized that he was in trouble, that his staff was too small to provide the president with the kind of support that he needed."[71] After Bay of Pigs, Kennedy and Bundy began to reconstruct aspects of the Eisenhower NSC structure, albeit in a new form. They established a situation room in the basement of the White House to act as the nerve center of Kennedy's national security machinery, created a more structured NSC staff with portfolios split along functional lines between Bundy and Rostow, and established an Executive Committee, or ExComm, an informal

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[70] Rothkopf, 85; Destler et al., 185.
[71] Rothkopf, 85.

permanent advisory group to the President.[72] On the other hand, despite their shortcomings,

Kennedy's reforms can still be seen as innovative and necessary. As some commentators point

out, while Kennedy was publicly committed to the idea of a strong Secretary of State, in practice

he significantly increased the power of the White House to coordinate national security.[73] By

increasing Bundy's role and importance, Kennedy created a stronger national security advisor

and a stronger NSC. This innovative approach lasts until contemporary times, largely because of

the widely recognized importance of having a strong central coordinator of the national security

apparatus close to the president.

Implications:

1. **Presidential impetus is an important factor in determining the success of a reform attempt.**

Like Eisenhower before him, Kennedy spearheaded the process of NSC reforms from early on in

his presidency. Throughout the reform process, President Kennedy took the lead in tailoring his

NSC to fit his needs and the evolving needs of the United States. Without such a commitment

from the president, efforts by Jackson, Neustadt, Bundy, Rostow and others would have been in

vain. In the end, the president dictates the nature of the National Security Council, reflecting the

advisory nature of the NSC.

2. **Congressional cooperation with the executive branch can influence the content of reforms as well as the likelihood of their adoption.**

Senator Jackson's collaboration with Kennedy proved to be indispensable in determining the

final content of Kennedy's NSC reforms. In this case, Jackson's subcommittee, and Neustadt in

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[72] Ibid., 90.
[73] Destler et. al, 168; Destler, 96.

particular, created the intellectual framework for Kennedy's reforms. In addition, the subcommittee contributed to awareness of the problems with NSC organization and functioning both in Congress and with the public. In an informal set of reforms such as the Kennedy NSC reforms, an appropriate congressional for Congress is an advisory role.

3. The background, personality, and political stature of principles can influence the nature of reforms.

Kennedy, although not experienced in national security issues, knew how he wanted to change the NSC when he came to office. From his experience observing national security affairs from a congressional perspective, Kennedy developed a set of ideas regarding NSC organization in conjunction with the development of a managerial and organizational style. In implementing his reforms, he relied on advisors who shared a common viewpoint regarding reform such as Neustadt, Bundy, and Rostow. That Kennedy's advisors were academics, whereas Eisenhower's advisors were largely military men, should not be overlooked since this different background contributed to a less formalized approach to running the NSC. Reformers should recognize that the choice of presidential advisors is, in all practical respects, a choice regarding the nature of future national security reforms.

4. Raising reform as an issue in a presidential campaign increases the likelihood of success by placing reform on the national agenda and establishing a presidential priority.

Kennedy raised the issue of national security reform in his presidential campaign by repeatedly criticizing Eisenhower's cumbersome NSC structure. Kennedy's election to the presidency lent credibility to his agenda of NSC reform, making implementation of his reforms a matter of

substance rather than consensus building. Raising the issue of reform in a campaign prepares the

winning candidate to exercise presidential authority while the electoral mandate is still fresh.

CHAPTER 3

<u>Department of Defense Planning and Budgeting Reforms of 1961</u>

Prior to 1961, military planning and budgeting existed as separate processes within the Department of Defense (DoD). The separation of two such fundamentally related functions led to problems with weapons acquisitions, strategy formulation, and inter-service rivalry. Responding to the need for improved planning and budgeting processes in the DoD, Secretary of Defense Robert McNamara, along with DoD Comptroller Charles Hitch, implemented a system known as Planning, Programming, and Budgeting (PPBS). McNamara and Hitch were successful in the implementation of their reforms because they acted boldly in subordinating elements of dissent to their new system, and because they were free from interference outside of the department.

Like many other reforms during the post-World War II period, the McNamara Department of Defense reforms were justified largely in Cold War terms. When policymakers and politicians spoke of the need for improved government efficiency to remain competitive in the Cold War, they referred, sometimes unwittingly, to two developments of the period meant to necessitate such an improvement. First, during the post-World War II era, the United States government experienced the phenomenon known as "technological proliferation."[74] A period of rapid technological progress immediately following WWI led to advancements both in military technology and, in a somewhat related vein, quantitative methods of data analysis.[75] Both of these advancements had repercussions for the McNamara PPBS reforms. Second, at the same

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[74]James M. Roherty, *Decisions of Robert S. McNamara: A Study of the Role of the Secretary of Defense*, (Coral Gables: University of Miami Press, 1970), 71.
[75] Ibid., 71; Cerami, 103.

time that the United States was surrounded with technological progress, it also experienced a

"scarcity of resources."[76] Along with a technological transformation, the Cold War era

witnessed a significant growth of government agencies, leading to the problem of allocating

scarce resources to an ever-expanding federal government.[77] Within the DoD itself, the era of

scarce resources manifested itself officials within the department having to choose between

costly weapons systems, all of which were argued to be strategically desirable. In the words of

McNamara, "Our problems of choice among alternatives in strategy and in weapons systems

have been complicated enormously by the bewildering array of entirely workable alternative

courses which our technology can support"[78] It was the luxury of choice constrained by the

demands of economy that would ultimately lead to the development of PPBS within the

Department of Defense.

In addition to the broad trends discussed above, more immediate problems with the

budgeting system in the Department of Defense led to a need for change. Before McNamara

became Secretary of Defense, Congress appropriated DoD funds by fixing an arbitrary budget

ceiling for the entire department.[79] Given these restrictions, the Secretary of Defense had no

choice but to impose budget ceilings on each service and allow each branch to decide how best

to spend its allocated budget.[80] Alan Enthoven and K. Wayne Smith noted that this budget

instrument "was essentially a book-keeping device for dividing funds between services and

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[76] Roherty, 71.

[77] Joseph R. Cerami, "Institutionalizing Defense Reform: The Politics of Transformation in the Root, McNamara, and Cohen Eras," in Organizing for National Security, Douglas T. Stuart, ed., (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 2000), 103.

[78] Roherty, 71.

[79] Samuel A. Tucker, ed., *A Modern Design for Defense Decision, A McNamara-Hitch-Enthoven Anthology*, (Washington, DC: Industrial College of the Armed Forces, 1966), 24.

[80] Robert J. Art, Vincent Davis, and Samuel P. Huntington, Reorganizing America's Defense: Leadership in War and Peace, (Washington, DC: Pergamon-Brassey's, 1985), 232.

accounts and a blunt instrument for keeping a lid on defense spending."[81] Beyond setting

arbitrary budget ceilings for the services, the DoD budget process was also separated from the

planning process. Force planning was projected several years into the future while financial

planning was done one year at a time due to the nature of the congressional budget process.[82]

While military planning proceeded on a mission-oriented basis, the budget was divided into

object classes of expenditures. Further, planning was "militarized" while budgeting was

"civilianized."[83] These divergent approaches to budgeting illustrate the lack of a bridge between

the functions of planning and budgeting, pointing to a clear lack of coordination between inputs

and outputs. Finally, since minimal structured analysis of the budget was available at any

moment, choices regarding tradeoffs were necessarily made without adequate information.[84]

The resulting decisions often led to over commitment of resources and other long-term

implications. For example, in 1959, when the Chairman of the House Defense Appropriations

Subcommittee wrote to the then Secretary of Defense Neil McElroy seeking budget information,

he was told that reliable figures were unavailable and that, even if they existed, "there does not

appear to be any agreed strategy against which the adequacy of the figures could be measured."[85]

Such a lack of information in a budget process was unacceptable to subsequent reformers such as

Robert McNamara.

A number of negative consequences followed from the nature of the DoD budgeting

system. Overall, the product of such a system resembled a hodgepodge of unilateral Service

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[81] Alain C. Enthoven and K. Wayne Smith, How Much is Enough? Shaping the Defense Program 1961-1969, (New York: Harper & Row, 1980), 11.

[82] Enthoven and Smith, 13.

[83] Roherty, 75.

[84] United States Department of Defense, *Planning, programming, budgeting system: historical milestones 1961-1973*, (Washington, DC: US Department of Defense, 1975), 1.

[85] Charles A. Stevenson, Warriors and Politicians: US Civil-Military Relations Under Stress, Cass Military Studies, (London: Routledge, 2006), 153.

plans rather than a unified Department of Defense program.[86] Under such a system it was

virtually impossible for the Secretary of Defense to guide a national defense program in a unified

manner. The budget system naturally led to rivalries between the services, as each service was

competing with the others for a higher budget ceiling. Rather than promoting unity in the DoD,

the budget system had the effect of breeding division: between the Secretary of Defense and the

services, among the services themselves, and between military planners and civilian budget

analysts. Perhaps most disturbingly, decisions in the Department of Defense were made by

different methods depending largely on the organizational biases of the services and the

capricious availability of resources. Decision-making was detached from any overarching

conception that would benefit the nation.

While the problems with the existing DoD budgeting system may have been enough to

necessitate reform, they were not enough to legally justify an internal restructuring. The

implementation of McNamara's reforms relied heavily on the creation of a legal framework

allowing him to operate with autonomy within DoD.[87] At the time that McNamara came to the

Pentagon, a new legal system had just been put in place. Between 1947 and 1961, the United

States defense establishment saw significant improvement in its organization and legal structure.

Reforms to the national security system during this period created and gradually strengthened the

Office of the Secretary of Defense (OSD), developed the Secretary of Defense into a major

decision maker, unified the defense budget structure in Congress, and began the process of

welding the three Services into a single workable whole.[88] Most significant among this set of

reforms was the Department of Defense Reorganization Act of 1958, which gave the Secretary

of Defense the authority to determine the force structure of the combatant commands, supervise

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[86] United States Department of Defense, 1.
[87] Enthoven and Smith, 2.
[88] Ibid, 8.

all DoD research and engineering activities, and transfer, reassign, abolish, and consolidate combatant functions.[89] The importance of this set of laws was twofold. First, as mentioned above, the 1958 Reorganization Act provided the legal foundation for McNamara's reforms. Without such a formal enumeration of the expanded role of the Secretary of Defense, McNamara could not have legally implemented his budget reforms. Second, the reforms culminating in 1958 provide a legal context in which to consider McNamara's reforms: a context of ever-expanding centralization of the national defense establishment and strengthening of the authority and power of the Secretary of Defense.[90] McNamara's reforms should be viewed as part of this larger trend.

When McNamara came to the Department of Defense, there was widespread consensus on the need for reform. In McNamara's own words, "There was a national consensus here that reforms were in order. But there was no consensus on just what should be done."[91] Indeed, proposed solutions to the problems of DoD planning and budget were widespread and diverse. Officials in the executive branch, congressmen, senior military officials, academics, and private citizens all weighed in on the need for reform.[92] In 1958, a report under the direction of Nelson Rockefeller recommended a budget system that "corresponds more closely to a coherent strategic doctrine."[93] Studies were also produced at the RAND Corporation and at the Harvard Business School.[94] In Congress, Representative George Mahon (D-TX) took the lead in advocating reform by writing two letters to McNamara after he was chosen as Secretary of Defense. With

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[89] Ibid, 2.
[90] Cerami, 108; Art et al., 231-232.
[91] Tucker, 21.
[92] Enthoven and Smith, 8; Tucker, 3.
[93] Tucker, 3.
[94] Enthoven and Smith, 31.

such a broad base of support, all that remained was a need for consensus regarding the content of reforms and the required managerial expertise to implement them.

One person convinced of the need for reform of the DoD budgetary process was incoming President John F. Kennedy. As president-elect, Kennedy established a Committee on the Defense Establishment led by Senator Stuart Symington (D-MO), a former Secretary of the Air Force.[95] The committee recommended a reorganization of the Department of Defense, including the creation of the position of a chief of staff supported by a military advisory council, the addition of functional commands, and the abolition of the service secretaries.[96]

Immediately upon his appointment as Secretary of Defense, Robert McNamara successfully tabled the Symington committee report.[97] Instead of reorganization, McNamara advocated a new mode of DoD management focusing on a strong Secretary of Defense capable of unilaterally implementing change. Faced with a choice between full-scale defense reorganization along the lines of the Symington recommendations and internal DoD reforms spearheaded by McNamara, Kennedy opted for McNamara's method at least partly to avoid the extensive process of reorganization hearings.[98] With his course chosen, Kennedy tasked McNamara with the establishment of tighter civilian control over the military.[99] As a former member of Congress, Kennedy was distrustful of the military services when it came to planning and budgeting. He wanted his own Secretary of Defense, rather than the service chiefs, to make decisions regarding force requirements for the military as a whole and then to procure and support them as economically as possible.[100] Thus, the initial motivation for reform was as much

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[95] Roherty, 65.
[96] Ibid.
[97] Ibid.
[98] Ibid., 66.
[99] Jerry McCaffery and Lawrence R. Jones, *Reform of Program Budgeting in the Department of Defense*, (Monterey, CA: Naval Postgraduate School, 2004), 3.
[100] Tucker, 12.

an attempt by Kennedy to control the military as it was a response to the problems beleaguering

the Department of Defense.

Upon entering the Pentagon, McNamara made it immediately clear that he would act as a

strong Secretary of Defense, exercising the full statutory authority given to him under the recent

amendments to the 1947 National Security Act. In McNamara's own words:

> When I became Secretary of Defense in 1961, I felt that either of two broad philosophies of
> management could be followed by the man at the head of this great establishment. He could
> play and essentially passive role—a judicial role. [...] On the other hand, the Secretary of
> Defense could play an active role providing aggressive leadership—questioning, suggesting
> alternatives, proposing objectives and stimulating progress. This active role represents my
> own philosophy of management.[101]

McNamara's decision to be an active Secretary of Defense had very real implications for the

nature of his reforms. In addition, McNamara's experience before coming to the Pentagon

influenced his role once he arrived. Educated and experienced in management, McNamara came

to Washington from the Ford Motor Company, where he was president. McNamara's emphasis

on systems analysis and economics developed largely because of this corporate background.[102]

McNamara's DoD reforms took two distinct shapes.[103] First, McNamara instituted a

series of management reforms that had nothing to do with military effectiveness. These reforms

were simply meant to reduce costs and lead to greater organizational performance. Second,

McNamara introduced a set of reforms meant to address the issue of military effectiveness.

Under this set of reforms, McNamara introduced the Planning, Programming, and Budgeting

System (PPBS). Explaining the purpose of PPBS, McNamara wrote, "I consider the budget

nothing more and nothing less than the quantitative expression of a plan or a policy. So in

developing the budget I propose to start with the plan or policy and translate it into quantitative

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[101] Roherty, 67.
[102] Cerami, 108.
[103] Tucker, 22.

terms, terms of benefit and cost."[104] PPBS, according to McNamara, was the system of

benefit/cost analysis meant to unite the functions of policy planning and budgeting. The new

component introduced to the process, called programming, attempted to relate weapons systems,

tasks, and objectives to costs.[105] This system provided a more rational process for decision

making regarding force structure, strategic programs, and weapons systems, seeking to respond

to the problems stemming from the division between planning and budgeting in DoD.[106]

To help with the implementation of PPBS in the Department of Defense, McNamara

made Charles J. Hitch his DoD Comptroller. A former head of the economics division at the

RAND Corporation, Hitch spent most of the 1950s developing a system that applied economic

analysis to the choice of weapon systems and strategies.[107] By the time McNamara came to the

Pentagon in 1961, the RAND system was ready to be used as a working management technique

in the Department of Defense in the form of PPBS. When he was recruited as DoD Comptroller,

Hitch projected eighteen months as the amount of time required to implement PPBS. However,

McNamara reduced the implementation time to six months so that he could use the system to

prepare his first budget (FY 1963).[108]

In an attempt to bridge the functions of planning and budgeting, PPBS consisted of three

main elements. First, McNamara and Hitch set up the Office of Systems Analysis (OSA) within

the Pentagon.[109] This office acts as the chief programming office, providing DoD with an

analysis and review of the Services' budget submissions. Second, the DoD reformers instituted

the Five Year Defense Plan (FYDP). Created to provide a multi-year perspective for the services

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[104] Ibid., 9.
[105] Roherty, 76.
[106] Art et al., 232.
[107] Tucker, 5.
[108] Roherty, 78.
[109] Carol L. DeCandido, *An Evolution of Department of Defense Planning, Programming, and Budgeting System: From SECDEF McNamara to VCJCS Owens*, USAWC Strategy Research Project, (Carlisle Barracks, PA: US Army War College, 1996), 7.

to use in conjunction with PPBS, the FYDP obligated the services to project spending and acquisition into the future, thereby forcing them to live with their plans.[110] Third, the reforms required that the Joint Chiefs of Staff prepare formal planning documents, which remained separate from the program and budget decisions developed by the OSA.

McNamara was largely successful in implementing his reforms due to two factors. First, McNamara succeeded because he chose to be a strong Secretary of Defense in the midst of a trend that saw an increasing centralization of decision-making in the Department of Defense, including a greater concentration of power in the Secretary. According to McNamara himself, "I was determined to subordinate the powerful institutional interests of the various armed services and the defense contractors to a broad conception of the national interest."[111] Viewed as part of an attempt to subordinate other actors in the defense establishment to his own method of decision-making, McNamara's restructuring of the budget process can be seen as a move to capture and control major decisions on force structure and strategy.[112] Had McNamara's managerial style not matched the political and legal context of the time, his reforms would have been more difficult to implement.

Second, McNamara succeeded in his reforms due to a lack of outside interference, specifically political interference from Congress. Rather than attempting to institute reform through the legislative process, McNamara decided to concentrate on informal reforms within DoD. While this ostracized Congress to a certain extent, McNamara succeeded in staving off congressional interference by maintaining key alliances within Congress, notably with chairman of the House Armed Services Committee, Representative Carl Vinson (D-Ga).[113] These critical

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[110] Stevenson, 157.
[111] Stevenson, 156.
[112] Ibid., 157.
[113] Ibid., 162; Cerami, 108.

alliances within Congress limited the amount of outside interference in the internal affairs of

DoD. Consequently, McNamara was left to implement PPBS in an isolated environment.

Implications:

1. **Presidential impetus is an important factor in determining the success of a reform attempt.**

Coming into office, President Kennedy recognized the need for further reform of the Department

of Defense. Rather than risking delay due to an uncertain process of legislative reform, Kennedy

tasked his Secretary of Defense with the implementation of informal DoD reforms. The choice

to pursue informal reforms over legislative reforms made presidential impetus all the more

important, since the executive branch undertook the entire process of reform. McNamara was

able to overcome opposition to his reforms by invoking the blessing he enjoyed from the

president.

2. **A prerequisite legal framework must accompany internal and informal reforms.**

Robert McNamara's choice to act as a strong Secretary of Defense would have yielded negative

results were it not for the Department of Defense Reorganization Act of 1958. This act greatly

centralized the decision-making process of the DoD, giving the Secretary of Defense enough

authority to implement reforms to the system of planning and budgeting. In the case of such

intradepartmental reforms, it is necessary to empower key reformers through pre-existing

legislation.

3. External interference should be minimized in the case of intradepartmental reforms.

McNamara was successful in implementing PPBS partially because he successfully skirted congressional interference. Alliances with key members of Congress helped McNamara isolate himself within DoD, meaning that opposition from outside the department failed to manifest itself as an obstruction to reform. In addition, presidential support helped to minimize external interference, as Kennedy's confidence in his Secretary of Defense contributed to the ability of McNamara to act as a strong Secretary of Defense while remaining politically untouchable. To properly conduct internal reforms, external interference must be minimized using the political clout and strategy of actors both inside and outside the department in question.

5. The background, personality, and political stature of principles can influence the nature of reforms.

Robert McNamara and Charles Hitch brought their managerial and corporate experience with them to the Pentagon. McNamara, formerly the president of the Ford Motor Company, brought with him a strong predilection for economics and systems analysis coupled with a stalwart managerial style. Hitch, through his work at RAND, helped to shape the PPBS system that he would later implement in the DoD. The importance of background and experience should not be underestimated in this case, especially because McNamara's reforms were seen as a violent break with the past trends of service dominance. Enacting reforms in the face of such active dissent requires a set of reformers with impeccable credentials and extensive experience.

CHAPTER 4

<u>The Intelligence Reforms of the 1970s</u>

The political and social environment during the 1970s lent itself to a flurry of national security reform attempts aimed, in particular, at the intelligence community. In the wake of revelations regarding the involvement of various intelligence agencies in covert operations both overseas and domestically by the Nixon administration, Congress attempted to reassert control over the executive branch of government. Presidents Johnson and Nixon had used the CIA and FBI to investigate political opponents and members of the antiwar movement, and President Nixon secretly diverted funds to aid in expanding the war in Southeast Asia to include Cambodia. Revelations such as these in the press combined with the fallout from the Watergate scandal cause a public outcry. Before 1974 the president was not required to inform Congress of covert operations performed by intelligence agencies, and what little oversight of the intelligence community did exist rested with the Armed Services Committees of both chambers. Because of the numerous successful and failed reform attempts that occurred in such a brief window of time, this chapter shows how the complexity of reform will allow one reform to succeed while at the same time kill another.

Throughout 1973 and 1974 Congressional investigations of the Watergate scandal revealed abuses by the Nixon White House involving the manipulation of the FBI and CIA to further personal and political goals. At the same time the House Judiciary Subcommittee launched the first major investigation of the FBI since its creation. It was these hearings which prompted Congress to realign committee jurisdictions so as to gain greater oversight over the intelligence community. In 1974 the House passed the Committee Reform Amendments,

allowing the Foreign Affairs Committee to have oversight over intelligence activities relating to foreign policy; for years this authority was held solely by the Armed Services Committee. With its new power the Foreign Affairs Committee created new legislation: the Hughes-Ryan Amendment of 1974. This act, signed into law by President Ford, amended the Foreign Assistance Act of 1961. It required for the first time that the president report the description and scope of any CIA covert action abroad when using funds for anything other than collecting intelligence unless the president finds each operation important to national security. When the president does make such a finding he or she must report the action in a "timely fashion" to six separate oversight committees.[114]

Although the country was slowly becoming aware of some of the covert operations conducted by the intelligence community, and in particular the CIA, the public was outraged by a story which appeared in the *New York Times*. On 22 December 1974, the *Times* ran a front-page story by Seymour Hersh charging that the CIA maintained files on 10,000 Americans, had opened the private mail of citizens, and, in short, "had conducted a massive, illegal domestic intelligence operation during the Nixon Administration against the antiwar movement and other dissident groups in the United States."[115] It soon became clear with the public's outcry for accountability that the Hughes-Ryan Act was simply the first wave of new reforms which would strike the US intelligence community in the second half of the decade.

Both the legislative and executive branches quickly moved to create investigative bodies which would determine the validity of the alleged abuses in the Hersh article. On 29 December 1974, Senator William Proxmire (D-WI) publicly called for Congress to create an independent

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[114]Frederick Kaiser, "Congress and the Intelligence Community," in The Postreform Congress, Roger Davidson, (New York: St. Martin's Press, 1992), 281.

[115] Frank J. Smist, Jr., Congress Overseas the United States Intelligence Community: Second Edition 1947-1994, (Knoxville: The University of Tennessee Press, 1994), 9.

commission to investigate the intelligence community abuses. In response President Ford announced the creation of the Commission to Investigate CIA Activities within the United States on 4 January 1975. This independent, "blue ribbon" commission was chaired by Vice President Nelson Rockefeller and was charged with investigating "activities conducted within the United States by the Central Intelligence Agency which give rise to questions as to whether the Agency has exceeded it statutory authority."[116]

In late December Director Colby briefed President Ford on the CIA "family jewels" which were mentioned in the Hersh article. According to President Ford's counsel, Philip Buchen, the president originally wanted to have a joint executive-legislative committee modeled on the Warren Commission. President Ford had been a member of the commission while serving in the House and felt that its report had been quite thorough, but the Congressional leadership declined the offer.[117]

There is evidence that this proposal of a joint commission and the subsequent establishment of the Rockefeller Commission were meant from the beginning to allow the executive branch to control the investigation. In his memoirs President Ford argued that "unnecessary disclosures" would have resulted from a congressionally dominate investigation.[118] In addition to President Ford's rendering of the committee proposal, the memos of his aides which discuss the commission in late December 1974, cite the need for the White House to formulate a commission of its own. White House Counselor Jack Marsh wrote, "[The proposed

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[116] Nelson Rockefeller, et al., <u>Report to the President By The Commission On CIA Activities</u>, (Washington, DC: GPO, 1975), 273.

[117] Smist, 26-27.

[118] Kenneth Kitts, <u>Presidential Commissions and the Politics of Damage Control</u>, (London: Lynne Rienner Publishers, 2006), 50.

presidential commission's] efforts would take the initiative rather than finding ourselves whipsawed by prolonged congressional hearings."[119]

Three weeks after President Ford publicly announced the creation of the Rockefeller Commission, on 27 January 1975, the United States Senate created its own select investigative committee on intelligence. The new committee was chaired by Senator Frank Church (D-ID) to investigate improper and illegal intelligence community practices and was given a mandate to offer recommendations to fix the alleged abuses and a time frame of 15 months to complete its work. The House soon followed with the creation of its own committee, eventually headed by Representative Otis Pike (D-NY). Although both the congressional committees and the Rockefeller Commission began at virtually the same time and with similar mandates, both expanded their investigations beyond the scope of CIA activities that were mentioned in the Hersh article. The Church Committee analyzed the structure of congressional oversight as well as the hierarchy of the intelligence community, and the Rockefeller Commission even investigated what role, if any, the CIA had played in President Kennedy's assassination.

The Rockefeller Commission was originally given a three month mandate in which to complete its work, but received an extension. On 6 June 1975, the commission delivered its final report to President Ford. The report contained 30 recommendations, 11 of which called specifically for congressional legislation or executive orders from the president. The report was later made public, but no action was yet taken as all eyes were on the Church Committee waiting for its findings. Congressman Charles Bennett (D-FL) introduced H.R. 7781 which contained

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[119] Ibid.

many of the Rockefeller Commission's recommendations, but Congress chose not to act on the legislation and await the finding of its own committees instead.[120]

As the Church Committee's public hearings continued throughout 1975, its counterpart in the House, the Pike Committee, suffered from severe internal leaks. Press reports began carrying stories of CIA abuses, and the White House soon realized how damaging the congressional reports would be to the intelligence community. By early January the White House took advantage of several weaknesses that plagued the Church Committee. First, on 23 December 1975, Richard Welch, the CIA chief in Athens, Greece was murdered outside his home. Charles Bartlett of the *Washington Star* wrote a column which embodied much of the sentiment felt by both the public and members of Congress: "But the [Church] Committee's prolonged focus on CIA activities in Greece left agents there exposed to random vengeance."[121] In short, the Church Committee's investigation had made CIA operatives around the world targets of violence. The same month, a Louis Harris survey was released that asked Americans how they rated the job being done by the Pike and Church Committees. The opinion results for the Church Committee were 38 percent positive, 40 percent negative, and 22 percent unsure, with even worse scores for the Pike Committee.[122]

In January of 1976, President Ford launched a counterattack against Congress in his state of the union address. In the speech he assaulted the "sensational" legislative inquiries that

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[120] P.B.S., III, "The Central Intelligence Agency: Present Authority and Proposed Legislative Change," *Virginia Law Review* 62, no. 2 (March 1976), 357.

[121] Loch Johnson, <u>A Season of Inquiry</u>, (Lexington: The University of Kentucky Press, 1985), 161.

[122] Ibid., 185.

caused the "crippling of our foreign intelligence services."[123] The final blow to weaken the public's opinion of the Church Committee even further occurred on 11 February 1976. The day before, the Pike Committee, which had been plagued by dysfunction and leaks throughout its existence, was virtually destroyed by the House of Representatives when it voted to suppress the final report. Though the report was nut released to the public, within 24 hours the Pike Report was in the pages of the *Village Voice* for all America to read, proving one final time that it could not stem the tide of leaks that had continuously spewed from its offices and led to its own demise.

One week later the Ford Administration pounced on the opportunity to regain control of the intelligence community investigation. On 18 February 1976, nine months after the Rockefeller Commission had finished its work and barely a month before the Church Committee was set to release its report, President Ford issued Executive Order 11905. The order embraced many of the Rockefeller Commission's recommendations. It created three oversight boards within the executive branch to oversee the actions of the CIA, it banned the CIA from opening the mail of private citizens and from conducting electronic surveillance without a warrant, it strengthened the role of the inspector general of the CIA, and it banned the CIA from infiltrating domestic activist organizations.

However, the new order neither recommend any congressional action, nor did it follow other Rockefeller recommendations such as reconstituting the deputy director of CIA, destroying files from the CHAOS project, or ban the testing of drugs on unsuspecting persons. In a move to cut the Church Committee off at the pass, it made the broad statement that no member of the

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[123] Kitts, 64.

government shall engage in or conspire to engage in "political assassination."[124] With the order

providing an oversight board within the White House and failing to mention anything about

congressional authority, the administration hoped to deflate the Church Committee's

recommendation of increased congressional oversight of the intelligence community. In the

words of Church Committee staffer Loch Johnson, the president had just moved to "pull the rug

out from under the Church Committee."[125]

The Church Committee conducted over 21 days of public hearings, released six final

reports, and made 183 recommendations on how to strengthen the rights of Americans, enhance

Congressional oversight, and make the intelligence community more efficient and effective.[126]

The first step towards implementing the wide-ranging recommendations of the committee and

the main catalyst for creating comprehensive legislative reforms was to create independent

intelligence authorizing committees in both chambers of Congress.

On 19 May 1976 the Senate created the Select Committee on Intelligence, and the House

created its own oversight committee the following year. The Senate did not create its oversight

committee until after extensive wrangling and a compromise meeting the demands of several key

senators. A new committee ultimately meant less power for other committee chairs, and

Republican cooperation was needed to create the committee even with a Democratic majority.

The vote in the Senate on Resolution 400, the act which would create a new committee, was

ultimately 77 to 22 in favor of the committee, but the new oversight body did have some limits

place on its power in the final compromise form. The committee was not given the ability to

declassify information without the president's approval, the terms of its members were limited to

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[124] For a complete list of Rockefeller recommendations and President Ford's executive order, see United States, <u>Report To The Presidency By The Commission On CIA Activities</u>; Gerald Ford, "United States Foreign intelligence Activities," Executive Order 11905, 18 Feb. 1976.

[125] Kitts, 64.

[126] Smist, 10.

eight years, and a representative of the president had the right to attend closed meetings if the committee agreed.[127]

Based upon the recommendations of the original Church Committee, the permanent Senate Select Committee on Intelligence soon began formulating a bill that would completely overhaul the nation's national security apparatus for the first time since the passage of the 1947 National Security Act. Among other provisions, Senate Bill 2525 created a director of national intelligence position separate from the DCI who would be a member of the NSC, prohibited covert action that involved the violent overthrow of any democratically elected government or the torture of individuals, and gave budgetary power to the new national intelligence director at the expense of the secretary of defense. It required any funds not subject to audit based upon national security grounds to be reviewed by the NSC and specifically charged the NSC with to constantly review ongoing intelligence and counterterrorism activities. The bill stretched over 260 pages and was very detailed in its restrictions on certain positions in the bureaucracy such as the inspector general, deputy CIA director and the new DNI.[128]

This new legislation, however, would not be in opposition to the Ford White House. In 1976 Jimmy Carter defeated President Ford in the presidential election, and still riding the Watergate wave, brought a new Democratic administration into the Oval Office. Carte was swept into the White House on a campaign platform which promised to clean up government, and in particular, to reform the intelligence community.[129] The new administration included many advocates of intelligence reform: most notably Walter Mondale, always a strong supporter of the Church Committee and reform, as Vice President of the United States. One year after taking

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[127] Kaiser, 286.
[128] US Senate, *National Intelligence Reorganization and Reform Act of 1978*, (Washington, DC: GPO, 1978).
[129] Johnson, 254.

office, and just two weeks before Senate Bill 2525 was to be introduced on the Senate floor,

President Carter issued Executive Order 12306. President Carter called the order "a basis for

Congressional action on a charter to be written for the Intelligence Community."[130] The order

required warrants from the attorney general for types of surveillance previously conducted by the

CIA under its own authority. DCI Stanfield Turner even stated, "the last step in the whole

process will be the development of legislative charters by the committees of Congress."[131] The

new order brought hope to members of the Senate Intelligence Committee that the new charter

would be made law under President Carter, but through a series of events, the executive and

legislative braches soon came into conflict over what that new charter would entail.

First, even though the Senate Intelligence Committee was created in 1976, it did not

introduce legislation until 1978. During this time S. 2525 grew in both size and complexity.

Second, the new charter did not have the full support of the Carter administration; since

President Carter issued is statement of support for an intelligence community overhaul, the bill

had grown exponentially and with very little input from the White House. Although Vice

President Mondale was in favor of the legislation, National Security Advisor Zbigniew

Brzezinski and Secretary of Defense Harold Brown were not. Brzezinski stated: "A detailed

charter would be a mistake. You would need almost full-time interpreters to make sense of it.

This would be a prescription for internal paralysis."[132] In the end the Senate did not act on the

bill before the end of the 95th Congress. What momentum had been pushing the bill forward

was soon lost as more harrowing matters, such as the events in Iran, took the administration's

attention away from intelligence reform.[133]

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[130] Ibid., 254-255.
[131] Ibid.
[132] Smist, 124.
[133] Ibid.

During the next Congress the Senate Intelligence Committee tried again to pass the legislation. The new bill (S. 2284) was 173 pages long, and members tried to portray it as much less intrusive yet still maintaining all the necessary restraints needed as the Church Committee had discovered three years previous. The relationship between the Carter administration and the committee primarily became strained because of the committee's assertion that it had an absolute right to obtain any document concerning intelligence that was possessed by the executive branch. Increasing tensions between Capitol Hill and the White House was the fact that President Carter did not inform the Intelligence Committee of the botched hostage rescue mission in Iran before it took place, leading Senator Birch Bayh (D-IN), chairman of the Senate Intelligence Community, to publicly announce his frustration with the president.[134]

Although the new committees lost their battle with passing the comprehensive overhaul legislation, they did manage to contribute two other statutes codifying some of the recommendations from both the Rockefeller Commission and the Church Committee. The congressional intelligence committees were able to enact part of the Church Committee's recommendations by codifying and furthering part of President Carter's Executive Order 12306. During the second session of the 95th Congress, the Foreign Intelligence Surveillance Act of 1978, initially a part of S. 2525, was passed and signed into law by President Carter. This bill, reported out of the Intelligence Committees and Judiciary Committees of both chambers, established a court system that would allow the intelligence community to engage in secret surveillance but with the stamp of a court's warrant attached.

The intelligence committees also strengthened their position at the end of 1980 by sending President Carter a three-page bill to sign before he left office. The 1980 Intelligence Oversight Act imposed new reporting requirements on the president and the executive branch.

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[134] Ibid., 124-125.

The act required intelligence agencies to keep both congressional intelligence committees "fully and currently informed of all intelligence activities…including any significant anticipated intelligence activity."[135] However, the committee knew that the president would not sign an act allowing him no flexibility in withholding information. Therefore, the bill calls for the President, at times when he does not want to inform the entire committee membership, to inform the "gang of eight." This group includes the majority and minority leader of each chamber and the chairman and ranking member of each intelligence committee. In addition, the President is allowed to withhold information pertaining to an operation if he deems it necessary, but if he does so, he must inform the committees in a "timely fashion" and issue in writing why prior notification was not given.[136] The original Hughes-Ryan amendment did not require the White House to submit anything in writing.

The 1980 Intelligence Oversight Act strengthened the Hughes-Ryan Act which contained much more vague language regarding reporting requirements. Not only did the presidential finding have to be written, but the statute requiring *prior* notice was much more deliberately specific. The 1980 Act also simplified the reporting responsibilities by trimming the committees to which the President must report from eight to two. Although the charter reform legislation would never make it through the legislative process, the Intelligence Committees were able to strengthen their position within the national security apparatus.

The creation of the intelligence committees and the requirement that the president report covert operations as codified by the 1980 Act, have indeed been an effective policy solution to the original problem. The subversive tactics used in the past by the CIA to topple foreign governments or advance American aims with full presidential knowledge have abated. There

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[135] Kaiser, 297.
[136] Smist, 122.

have been two exceptions to the rule. The first was in 1984 when the Senate intelligence

Committee learned that it had not been informed of the CIA's covert operation involving

planting mines in the harbors of Nicaragua in 1983.[137] The second pertained to the Iran-Contra

scandal in the mid-1980s. Neither DCI Casey, nor President Reagan informed Congress that the

CIA was helping to arrange the sale of weapons to the Iranian regime, but when the operation

came to light, NSC staff members involved and DCI Casey fell from power. Although the

statutes did not pre-empt the action in the first place, they helped to punish the offenders by

creating congressional outrage and alerting the public to the covert actions that took place.

Implications:

1. **Presidential commissions are more effective at implementing reforms than congressional investigative committees.**

President Ford created the Rockefeller Commission at least in part as a political instrument to

counter congressional investigations of CIA impropriety. Although this tactic succeeded to some

extent, the commission took on new importance as it expanded the scope of its inquiry to exceed

the original presidential mandate. Despite this reformulation of its purpose, many of the

commission's recommendations were implemented in President Ford's executive order. In

contrast, the recommendations of the Church Committee, though transformed into legislation in

the form of S. 2525, went largely unheeded. The difference between the two investigative bodies

stems from the fact that the members of congressional investigative committees fulfill dual roles

as congressmen and as investigators. An independent commission has one central agenda,

usually accompanied by a mandated time frame. In contrast, a congressional committee is

comprised of elected leaders with myriad other tasks to fulfill. Even when an issue arises with

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[137] Ibid.

strong political and public backing, it can take over two years to draft the legislation and report it to the full chamber (i.e. S. 2525).

2. **Even with a favorable political climate, the costs of a cumbersome congressional process may lead to a failure to implement reforms.**

President Carter was perhaps the most amicable president towards national security reform since the end of World War II. Yet even with his support, S. 2525 was too complex for his administration to endorse. Because of its large size, its complexity, and its extensive drafting period, S. 2525 lost momentum in Congress. Smaller and less comprehensive pieces of legislation, similar in size to the Oversight Act of 1980, may have succeeded in implementing many of the same provisions advocated by S. 2525. This implication points to a fundamental choice regarding legislative reforms: the need for comprehensive legislation versus the practical requirement of political consensus.

3. **Presidential impetus is an important factor in determining the success of a reform attempt.**

The success of the intelligence reforms implemented by Presidents Ford and Carter came as a result of presidential backing. Both presidents issued executive orders related to the intelligence abuses by the Nixon administration. Conversely, the demise of S. 2525 resulted in large part from a lack of presidential support. Even after S. 2525 was revised and re-introduced in Congress, President Carter refrained from endorsing the legislation over the issue of executive privilege. To ensure effective passage, controversial legislation enacting a comprehensive reform of the national security apparatus will most likely require presidential support.

4. Scandal or crisis may play a roll in a determining the nature of a reform attempt.

The intelligence reforms of the 1970s came as a reaction to the scandals of the Nixon administration and the revelations of illegal CIA activities. Formed originally as committees charged with investigating these abuses, the Rockefeller Commission and the Church Committee proposed recommendations on intelligence reform that were ultimately implemented through executive order and congressional statute. Without scandal as the original impetus for reform, the intelligence reforms would likely have differed significantly in their scope and substance.

CHAPTER 5

The Congressional Budget and Impoundment Control Act of 1974

In July 1974, President Nixon signed the Congressional Budget and Impoundment Control Act into law, just a few weeks before he would resign from office due to the Watergate scandal. Already a politically wounded president, Nixon was forced into signing the bill, which largely constricted his authority over the budget process and his prerogative to restrict the distribution of funds appropriated by Congress. Operating at the height of the Vietnam War Nixon's actions in office held real implications for US national security. Seen in this perspective, his obligatory consent to a complete overhaul of the congressional budget process implied a change in the national security posture of the United States. Whereas, prior to the 1974 Act, the executive departments determined the budget in conjunction with the president, the post-1974 process wrested control from the executive branch and re-established Congress' power of the purse. The implications of this move were profound, as the practice of national security transitioned from a highly secretive process dominated by the executive to a consultative process relying heavily on congressional approval. The implications for contemporary reformers of the national security system are similarly important, as a study of the 1974 Act is the study of a reform attempting to supplant a dominant trend in the executive-legislative power struggle.

In passing the 1974 Act, Congress was acting in response to a history of the budgetary process in which Congress itself had repeatedly yielded budget-making power to the executive.[138] According to Joel Havemann, "Congress could do little more than tinker with the

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[138] Jasmine Farrier, <u>Passing the Buck: Congress, The Budget, and Deficits</u>, (Lexington, KY: University Press of Kentucky, 2004), 28.

president's proposals around the edges, adding some here, cutting a little there. It could not possibly substitute its own economic policies or spending priorities for those of the president, at least not in any deliberate way."[139] Congress, because of its inability to organize itself properly to meet the needs of the budgetary process, was forced to cede its authority to the executive branch. As Havemann notes, "The Constitution notwithstanding, Congress had yielded its power over the purse to the president."[140] Responding to this problem of executive control, the 1974 Act represented an attempt to consolidate congressional power over the budget system.

While the executive retained control of the budget process well into the 1970s, this had not always been viewed as a problem.[141] Traditionally, the chief executive, along with his Office of Management and Budget (OMB), formulated and presented a coherent budget proposal to Congress. This system worked quite well until the early 1970s, when a series of events brought to light the problems with the existing congressional budget system. The complex interplay between such factors as war, scandal, budget crisis, and constitutional crisis revealed the shortcomings in the congressional policy of ceding its budget-making authority to the president.

The background of budgetary reform began with a budget crisis. By the early 1970s, the United States was experiencing rapidly growing deficits and uncontrolled increases in federal outlays.[142] These factors led to serious domestic economic problems. For example, inflation soared, indicated by a rises in consumer prices of 8.8 percent in 1973 and 12.2 percent in

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[139] Joel Havemann, Congress and the Budget, (Bloomington, IN: Indiana University Press, 1978), 4.
[140] Ibid.
[141] Ibid.
[142] Farrier, 55.

1974.[143] President Richard Nixon responded to high deficits and uncontrollable congressional spending by making unprecedented use of presidential impoundments—a refusal to spend money that Congress had appropriated.[144] Nixon was not the first president to use impoundments. Previous presidents made scant use of that prerogative in rare cases where a change in circumstances rendered congressional appropriates obsolete.[145] However, in 1972 and 1973, Nixon resorted increasingly to impoundment to reduce or eliminate farm and city programs as a means of controlling a wasteful Congress.[146] In addition to impoundment, in the summer of 1972 Nixon publicly challenged Congress to reign in its excessive spending habits by setting a ceiling of $250 billion on fiscal 1973 outlays, which were already estimated at $253 billion.[147] Nixon's challenge gave Congress a decision between allowing the president to impound funds as he chose and being branded as a body of reckless spenders just before an election.

Other abuses of executive power and privilege blended with Nixon's abuse of impoundment authority. At the same time that Nixon was impounding congressional appropriations, he was also secretly using unauthorized funds to bomb and invade Cambodia.[148] These two scandals combined with the Watergate scandal created a constitutional crisis. In the words of Howard Shuman, "President Nixon saw the emergency as a crisis over the budget and the economy. The country saw the emergency which placed society in jeopardy as a grab for exceptional power by President Nixon in the name of a budget and economic crisis."[149] Such a

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[143] Howard E. Shuman, <u>Politics and the Budget: The Struggle Between the President and the Congress,</u> (Englewood Cliffs, NJ: Prentice Hall, 1984), 187.
[144] Farrier, 57.
[145] Havemann, 5.
[146] Shuman, 183; Havemann, 25.
[147] Havemann, 25.
[148] Shuman, 186.
[149] Ibid.

constitutional crisis combined with a budget crisis forced Congress to reevaluate its budgetary

process with respect to the national security. The risks associated with congressional abrogation

of its budgetary responsibilities certainly constituted national security concerns. Such a

confluence of crises raised the issues of executive abuse of power during wartime, the subversion

of American democracy, and the control over funds pertaining to the national defense. Further,

the interplay between these various factors, all occurring at approximately the same time, had a

magnifying and reinforcing effect. The economic problems associated with a lack of discipline

in Congress nurtured presidential abuse and usurpation.[150] At the same time, the presidential

assertion of power on the grounds of an emergency caused more confusion and lack of cohesion

in Congress. The result was that Congress passed the "Impoundment Control Act" to discipline

the president; it passed the "Congressional Budget Act" to discipline itself.

The inability of Congress to respond to President Nixon's challenge of a spending

ceiling led to the recognition of a number of substantive problems with the congressional budget

process. First, a lack of coordination in the budget process meant that taxing and spending

actions could not be related to fiscal policy needs.[151] In Congress, budget power was divided

between multiple committees, since the same committee did not deal with taxing and

spending.[152] In the House, the Ways and Means Committee handled revenues while the

Appropriations Committee handled expenditures. In the Senate, the Finance Committee dealt

with revenues and the Appropriations Committee handling spending. This division between tax

and spending caused serious problems in coordinating fiscal policy, since Congress lacked the

centralized structure necessary to match expenditures to revenues or to evaluate the costs and

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[150] Ibid.
[151] Dennis S. Ippolito, <u>The Budget and National Politics</u>, (San Francisco: W.H. Freeman and Company, 1978), 99.
[152] Farrier, 60.

benefits of one program against another program.[153] Second, the lack of coordination had

negative effects on Congress' ability to manage programs.[154] Increases in spending in the past

few decades had placed undue strain on the already fragmented congressional budget system,

leading to various modes of backdoor spending that avoided the appropriations process.[155] By

the time of the 1974 reforms, less than half the budget was subject to annual appropriations

votes and almost 75 percent was considered essentially uncontrollable.[156] Fourth, due to

Congress' lack of a budget staff, the executive branch retained control of the budget process

even in times of congressional initiative.[157] This meant that Congress was dependent on the

president's Office of Management and Budget for information pertaining to the budget. Finally,

the fragmented nature of the congressional budget process led to delays in the budget cycle. It

was rarely the case that the budget was prepared by the beginning of the fiscal year. All of

these problems stemmed from the poor organization of Congress around the budget,

exacerbated by the long-standing policy of ceding budget control to the executive branch.

Responding to the Nixon administration's challenges regarding congressional fiscal

constraint, Congress established a Joint Study Committee on Budget Control in the summer of

1972.[158] The committee recommended a bill that would have created a tight budget ceiling to

control congressional spending. Despite being rejected by Congress, the findings of the Joint

Study Committee were used as the basis for the legislation that eventually became the

Congressional Budget Act.[159] Legislation regarding the use of presidential impoundments, what

later became known as the Impoundment Control Act, came out of hearings in the Senate

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[153] Farrier, 55; Havemann, 5.
[154] Ippolito, 99.
[155] Farrier, 60.
[156] Ibid, 55.
[157] Ippolito, 99.
[158] Havemann, 25.
[159] Shuman, 187.

Judiciary Committee and the House Committee on Rules. The House passed the two bills

considered together on 18 June 1974, followed by the Senate on 21 June.[160] President Nixon

signed the Congressional Budget and Impoundment Control Act into law on 18 July 1974, just

21 days before Watergate forced him out of office.

The 1974 Act increased congressional budget power in relation to the president. First,

the Act set the modern budget calendar by requiring Congress to decide the totals of the budget

twice a year.[161] In May, Congress sets targets to hit when enacting individual spending and

revenue bills. Then in September, Congress modifies the targets and turns them in to upper

limits on spending and lower limits on revenues. Second, the act specified that the

congressional budget alone delineates federal spending and revenue for the coming budget year,

without the need for a presidential signature. This provision placed budget power with

Congress while avoiding an attempt to implement a spending ceiling. The act remained deficit-

neutral by making subsequent Congresses responsible for deficits without imposing a ceiling.[162]

Third, the act divided spending among sixteen broad national priorities, including defense,

health, and income security.[163] To manage the new budget process and prepare budget

resolutions, the Act created new budget committees in the House and Senate. In addition, the

Act created the Congressional Budget Office to be the counterweight to the executive Office of

Management and Budget. The new source of budgetary expertise broke Congress' dependence

on the executive branch for budget information. Finally, the 1974 Act implemented presidential

impoundment controls. Although the controls continued to allow presidential deferrals and

rescissions, the Act gave Congress explicit procedures to halt these impoundments if it wished

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[160] Havemann, 33.
[161] Ibid, 4.
[162] Farrier, 71.
[163] Havemann, 4.

to do so.[164]

How was Congress successful in passing such a fundamental piece of legislation? Despite the fact that the 1974 Act reshuffled congressional committees and power structures, established a new timetable for considering tax and spending legislation, and placed more of the budget burden on Congress, the Act passed with only token resistance.[165] Such easy passage was due to a number of factors. First, in the face of accusations of fiscal irresponsibility and a scandal over the presidential abuse of power, it was difficult for members of Congress to oppose reform of the congressional budget system.[166] Second, despite some opposition to the legislation, it benefited almost everyone in Congress. For conservatives, the Act offered the hope that the new budget process would help hold down federal spending. For liberals, the Act signaled the possibility of a reevaluation of spending priorities and a possible shift from defense to domestic programs. In addition, the Act essentially censured a Republican president and limited his ability to impound funds appropriated by Congress. Third, the authors of the 1974 Act worked hard to minimize the threat to the existing congressional power structure.[167] Although the Act created two new Budget Committees, it also ensured that the new committees would not encroach on the territory of existing committees.[168] Specifically, members of the appropriations committees were reassured by the introduction of limits on backdoor spending, which had largely stripped them of power by marginalizing the appropriations process. Finally, the 1974 Act was an opportunity for Congress as a whole to reassert influence over the executive branch. Indeed, the Act was part of a larger drive to internally reorganize Congress in

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[164] Farrier, 35.
[165] Havemann, 20.
[166] Ibid.
[167] Farrier, 35.
[168] Havemann, 20.

response to abuses by the executive branch.[169] In the case of the 1974 Budget Act, Congress

regained much of its prior control over the budget process.

Implications:

    1. Scandal or crisis may play a role in determining the outcome of a reform attempt.

Scandal and crisis were instrumental in the lead up to the Congressional Budget and

Impoundment Control Act of 1974. Passed just before President Nixon was forced out of office

by the Watergate scandal, the Act was created in response to a budget crisis resulting from large

federal deficits and high inflation. Further, the Act was passed in response to unprecedented

presidential impoundments of funds appropriated by Congress. As exemplified by this case,

scandal and crisis may spur Congress into action.

    2. The nature of the relationship between the executive and legislative branches is a key factor in determining the content and possibilities for reform.

In the case of the 1974 Budget and Impoundment Act, Congress and the executive branch were

at odd with one another. President Nixon was convinced that Congress was a fiscally

irresponsible body. Congress responded with legislation designed to wrest power from the

executive branch. One reason that legislation was so successfully implemented was the fact that

Congress was organized around defeating Nixon, who was already a wounded president

incapable of fighting a political battle against a powerful Congress. While the relationship was

not a positive one culminating in a shared vision for reform, it is worth noting that the dynamic

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[169] Ibid, 17.

between the president and Congress, whether hostile or amicable, has very real implications for the nature and process of reform.

3. **Politics, as much as the need to respond to a given set of problems, may determine the content and implementation of reforms.**

As noted above, one of the main causes of the 1974 Act was a desire to discipline President Nixon for his abuses of power. Congress came to focus on the substantive problems with the budget process only because of the politics surrounding Nixon's demise. In addition, politics within Congress played a major role in producing a final reform product. To achieve passage of the Act, reformers in Congress had to navigate the traps of the congressional committee power structure. As with most congressional reforms, political consensus was a necessary prerequisite to change.

4. **Broad congressional reform should be conducted under the proper set of circumstances.**

The 1974 Budget and Impoundment Act, although it was a far-reaching piece of reform legislation, was passed in a congressional environment that was largely amenable to consensus building. Coming at a time when Congress was attempting to regain power from the executive branch, the Act easily united the large majority of legislators against the president. Although opposition to reform existed, circumstances were ripe for reform. The lessons for current reformers should be twofold. First, any attempt at reform must begin with a comprehensive analysis of the contemporary political environment. Second, this analysis should lead to realistic expectations about the possibilities of pursuing congressional reform.

CHAPTER 6

<u>Goldwater-Nichols Department of Defense Reorganization Act of 1986</u>

In May 1986, Congress passed one of the most influential pieces of legislation for

national security since the National Security Act of 1947. After a four-year political war of

attrition, reformers in Congress succeeded in reorganizing the Department of Defense to increase

civilian control of the military, provide better military advice to the president, and improve the

effectiveness of joint operations. In this chapter, we will examine the process leading up to the

passage of the Goldwater-Nichols Act in an attempt to dissect the case. Reduced to its

component parts, the reform process leading to Goldwater-Nichols illustrates the complex

political interplay between various stakeholders in the national security system. Goldwater-

Nichols is the ideal case study for an examination of congressional national security reform in all

of its complexity.

Reformers in Congress during the 1980s were responding to a number of problems with

the functioning of the Department of Defense, exemplified by a recent history of lackluster

military operations. There was a consensus in Washington that the military had not performed as

well as it should have since World War II.[170] The military experience in Vietnam and post-

Vietnam raised questions about the ability of the Department of Defense to adequately plan and

manage combat operations involving joint action.[171] One operation in particular that sparked

controversy was the 1979 attempted rescue of 53 American hostages held in the US Embassy in

Tehran. Dubbed Operation Eagle Claw, the mission ended in utter failure with eight people

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[170] Amy B. Zegart, <u>Flawed by design: the evolution of the CIA, JCS, and NSC</u>, (Stanford, CA: Stanford University Press, 1999), 142.
[171] Charles A. Wilson, <u>Goldwater-Nichols: The Next Evolution-Reorganizing the Joint Chiefs of Staff</u>, (Carlisle Barracks, PA: US Army War College, 2002).

killed, expensive US equipment and classified information abandoned, and not a single hostage rescued.[172] Critics of the operation cited numerous reasons for failure: direct White House supervision, excessive devotion to secrecy and compartmentalization, and circumvention of established crisis action planning processes.[173]

Operation Eagle Claw was only one example of a broader set of problems plaguing the Department of Defense. To begin, military advice coming to the president from the Joint Chiefs of Staff was inadequate.[174] This resulted from the fact that the service chiefs had dual responsibilities: to their service and to the JCS as a whole. Such a division of responsibilities produced conflicted advice to the president whenever the two roles were mutually incompatible, since the chiefs had very little incentive to subordinate their viewpoints as service chiefs to their responsibilities as JCS members.[175] Further, the Chairman of the Joint Chiefs (CJCS) lacked the authority either to provide independent military advice to the president or to subordinate and harmonize the divergent views of the services into a common joint perspective. The CJCS was trapped in a coordination role without the authority to coordinate, a deputy to provide continuity in JCS meetings during his absence, or a joint staff under his control. Military advice emanating from the Pentagon suffered as a consequence.

A second problem within the Department of Defense was the difficulty in coordinating joint operations. The responsibility for coordinating a joint operation before Goldwater-Nichols rested with the Commander in Chief (CINC) of a given joint military command. However, the CINCs were notoriously powerless to coordinate joint operations, since they relied chiefly on the

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[172] Douglas C. Lovelace, "The DoD Reorganization Act of 1986: Improving The Department through Centralization and Integration," in *Organizing for National Security*, Douglas T. Stuart, ed., (Carlisle, PA: Strategic Studies Institute, US Army War College, 2000), 70.
[173] Ibid.
[174] Gordon Nathaniel Lederman, Reorganizing the Joint Chiefs of Staff: The Goldwater-Nichols Act of 1986, (Westport, CT: Greenwood Press, 1999), 34.
[175] Ibid, 36.

service component commands for resources and joint training. In other words, each CINC

depended upon the various military services for the capability to conduct effective joint

operations.[176] Adding to this problem was the general lack of respect accorded to "jointness" in

the Department of Defense.[177] Military officers were not adequately experienced in joint duty or

training, since the military rewarded specialization rather than cooperation among the services.

The end result was a lack of capability and desire to effectively carry out joint operations.

Responding to this set of problems as exemplified by Operation Eagle Claw, CJCS

General David C. Jones took the initiative in raising a discussion of JCS reorganization in

January 1982, while testifying before the House Armed Services Committee on the FY 1983

budget.[178] In a subsequent article entitled "Why the Joint Chiefs of Staff Must Change," Jones

argued for a deputy CJCS, a joint staff under the control of the CJCS, and a system of rewards

for officers pursuing joint assignments.[179] In February 1982, Jones appointed a Chairman's

Special Study Group to propose recommendations for JCS reform, which argued for the creation

of a "joint duty career specialty" to create a culture of jointness in the department[180] Following

Jones' article, General Edward C. Meyer wrote a divisive article arguing for the abolition of the

JCS system and its replacement with a new body called the National Military Advisory Council

(NMAC).[181] This body would remedy the parochialism of the JCS by appointing retiring four-

star officers to a presidential military advisory body. While Meyer's article was viewed as the

more radical of the two, together Jones and Meyer succeeded in raising defense reform as a

critical issue.

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[176] Ibid, 45.
[177] Ibid, 43.
[178] Lederman, 33; Charles A. Stevenson, Warriors and Politicians US Civil-Military Relations Under Stress, (Cass Military Studies, London: Routledge, 2006), 165.
[179] Ibid., 52; Dale R. Herspring, The Pentagon and the Presidency: Civil-Military Relations from FDR to George W. Bush, (Lawrence, KS: University Press of Kansas, 2005), 291.
[180] Lederman, 51-53.
[181] Herspring, 291; Lederman, 53.

Responding to the concerns raised by Jones and Meyer, Representative Richard White (D-TX), chair of the House Armed Services Investigations Subcommittee, organized hearings on defense reorganization during the summer of 1982.[182] Testifying before the subcommittee, General Jones argued that the CJCS should be the president's "principal military advisor," that the other chiefs should act as advisors to the chairman, and that the chain of command should run through the chairman rather than the JCS.[183] In September 1982, legislation coming out of the White subcommittee in the form of H.R. 6954 passed the House.[184] With just fourteen days left in Congress, the bill went to the Senate, where it was tabled by Senator John Tower (R-TX), chair of the Senate Armed Services Committee. Although it did not become law, H.R. 6954 would have conducted a wide-ranging reform of the Department of Defense, making the CJCS the main military advisor to the president, creating a position of Deputy CJCS, and giving the CJCS control over a Joint Staff. While the Goldwater-Nichols legislation eventually passed by the House would differ fundamentally from H.R. 6954, the House would consistently continue to press for reform through the following years, spanning a transition from White to Bill Nichols (D-AL) as chair of the Investigations Subcommittee. Even at an early stage in the reform process, coherent ideas regarding plausible reforms to the Department of Defense began to emerge as political possibilities.

Unfortunately, as Senator Tower's rejection of H.R. 6954 proved, political possibilities exist quite separately from political realities. Despite a growing consensus on the need for defense reorganization, there still existed multiple entrenched political impediments to reform. The first hurdle came in the form of then Secretary of Defense Caspar Weinberger. In addition to a fear that defense reorganization would threaten his authority in DoD, Weinberger was

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[182] Lederman, 53.
[183] Herspring, 292.
[184] Lederman, 63.

opposed to reform because he was convinced that a protracted debate about reform would undermine the Reagan administration initiative to increase the defense budget.[185] Rather than fulfilling Reagan's campaign promise, DoD would then be entrenched in a battle with the legislative branch.

A second major political hurdle came from the armed services, specifically the Navy and the Marines. According to Chief Naval Officer Thomas B. Hayward, "I am deeply offended by the slanderous criticisms which one frequently hears about the Joint Chiefs being an ineffective group of parochial service chiefs who spend most of their time bickering among themselves, horse trading to preserve what is best for their service."[186] Such resentment engendered by the reform attempts was not unfounded when examined from the perspective of the Navy. Historically, the Navy resisted centralization in the DoD due to its own decentralized administration, the need for decentralized control of air assets to preserve command of naval aircraft, and the general fear of repeatedly having to justify its budget and its existence to a centralized military decision-maker.[187]

In addition, the Navy and Marines were convinced that the Army and Air Force supported defense reorganization as a means to gain control of naval operations.[188] However, even the Army and Air Force had reservations about defense reorganization, as they were concerned that reform would reduce the services' clout in the budgetary and policy-making process.[189] Throughout the history of Goldwater-Nichols, the military services, backed by powerful service veterans organizations, staunchly opposed reform. The two Chairmen of the Joint Chiefs succeeding General Jones, John William Vessey and William J. Crowe, were caught

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[185] Lederman, 55; Stevenson, 166.
[186] Herspring, 292.
[187] Lederman, 57.
[188] Herspring, 292.
[189] Lederman, 57.

between a manifest need for reorganization on the one hand and the service chiefs' opposition on the other hand. The result was an attempt by the CJCS to pre-empt congressional reform by instituting insignificant internal reforms to the JCS structure.[190]

Congress also had a strong incentive to oppose defense reorganization. To begin, members of Congress in favor of defense reorganization could be labeled "soft" on national defense.[191] In addition, many representatives and senators maintained special ties to branches of the armed services, either because they were themselves in the military or because their home districts benefited from the services. Finally, Congress as a whole benefited greatly from a divided Department of Defense. A decentralized and weak military structure, in which the military services competed amongst themselves for resources, benefited Congress in two ways. First, a lack of cohesion in DoD ensured that Congress could control DoD by essentially using "divide and conquer" tactics. A weak DoD meant a strong Congress when it came to policy-making and the budget process. Second, individual congressmen benefited from having a decentralized military structure since military duplication and inefficiency produced excess contracts for members' home districts.[192]

A number of events in 1983 countered opposition by Weinberger, the JCS, and Congress by contributing to a sense of urgency surrounding defense reorganization. On 23 October 1983, two suicide bombers drove trucks loaded with TNT into the U.S. Marine barracks in Beirut, Lebanon, killing 241 American servicemen.[193] Critics of the Reagan administration pointed to a "long, complex, and clumsy" command structure as an explanation for the failure to protect

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[190] Ibid., 63.
[191] Ibid., 48.
[192] Zegart, 145.
[193] Stevenson, 168.

against the attacks.[194] Two days later, in Operation Urgent Fury, the United States invaded

Grenada to rescue American medical students after a leftist coup in the country.[195] Despite the

success of the operation, it was widely considered to be an organizational and operational failure.

According to Colin Powell, Weinberger's senior military assistant at the time, "Relations

between the services were marred by poor communications, fractured command and control,

interservice parochialism, and micromanagement from Washington."[196] Shortly after the

operation in Grenada, it was revealed that, during the battle for the island, an army officer had to

go to a public telephone booth and call Fort Bragg using his AT&T calling card in order to

receive naval gunfire support. Considered together, the problems in Beirut and Grenada

emanated from a weak JCS lacking influence on policy formulation, a confused chain of

command, and a failure to plan and execute joint operations.[197]

As the controversy in Congress raged on, in June 1983, Senator Tower directed James

Locher, a senior staffer working for the Senate Armed Services Committee, to prepare a study on

defense reorganization.[198] Just over two years later, in early October 1985, Locher's 645-page

staff report was released by Senators Barry Goldwater (R-AZ) and Sam Nunn (D-GA),

respectively the Chairman and ranking minority member of the Armed Services Committee.[199]

The rollout of the Locher Report, entitled *Defense Organization: The Need for Change*, proved

to be an additional important event in the history of Goldwater-Nichols due not only to the

contents of the report but also to the way in which it was released. In preparing to release the

staff study, Nunn advised Locher to include a number of controversial recommendations that

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[194] Herspring, 292.
[195] Stevenson, 168.
[196] Ibid.
[197] Lederman, 65.
[198] Ibid, 64.
[199] Stevenson, 172.

were no longer favored, with the understanding that the proposals could later be conceded to the

opponents of reform as a gesture of compromise.[200] To allow for this tactic to be most effective,

Locher's report was released as a staff report *to* the committee rather than a staff report *by* the

committee, thereby creating distance between Locher's recommendations and congressional

advocates of reform.[201] According to Senator Nunn, "We need staff recommendations that scare

them so badly that when we do what we really intend to do, they will take out their

handkerchiefs and wipe their brows and say, 'Boy, we sure are lucky.'"[202] The Locher report's

radical proposals, much along the lines of the Meyer recommendations, were to dismantle the

JCS and replace it with a Joint Military Advisory Council composed of retiring four-star

officers.[203] In addition to giving autonomy to the Chairman of JMAC, the Locher report also

advocated removing the service component commanders from the operational chain of command

and making the CINCs senior in rank to the service chiefs. Goldwater and Nunn were masterful

in orchestrating the release of Locher's report. In early October 1985, they made a series of

Senate floor speeches, scheduled a weekend retreat organized around DoD reform, and planned

hearings with administration officials following the release of the report.[204] Throughout the

process, Goldwater and Nunn made sure to use the Locher report as the framework for

discussion, thereby dictating the evolution of the reorganization debate.[205] Using Locher's report

as a political tool as well as a substantive foundation for reform, Goldwater and Nunn succeeded

in both placing defense reorganization in the congressional spotlight and creating a future

opportunity for political reconciliation.

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[200] Stevenson, 173; Lederman, 71.
[201] Stevenson, 173.
[202] Ibid, 173.
[203] Lovelace, 75; Lederman, 71; Stevenson, 173.
[204] Stevenson, 172.
[205] James R. Locher, Victory on the Potomac: The Goldwater-Nichols Act Unifies the Pentagon, (College Station, TX: Texas A&M University Press, 2002), 374.

While the Locher report was still in its final stages of compilation, President Reagan changed his stance slightly regarding defense reorganization. Until 1985, Reagan's stance on reorganization had remained ambivalent.[206] However, Reagan's national security advisor, Robert C. MacFarlane, favored defense reorganization both because of his experience serving in the Marine Corps and because he was convinced that a timely reorganization would allow Reagan to proceed with his defense buildup. Using MacFarlane as a conduit to Reagan, the House and Senate Armed Services Committees were able to convince the president to commission the Blue Ribbon Commission on Defense Management in June 1985.[207] A number of factors can explain Reagan's change in strategy regarding defense reorganization. The president may have been responding to excessive and wasteful DoD spending, or he may have been attempting to take control of the reform movement in Congress before it imposed unwanted changes on his administration.[208] Headed by David Packard, the commission released a report in February 1986 arguing in support of defense reform.[209]

Shortly after the release of the Packard Commission report, President Reagan released National Security Decision Directive 219 ordering the Department of Defense to implement the commission's recommendations that did not require legislation.[210] Reagan's support for the Packard Commission, along with NSDD-219, were taken as his tacit assent to the defense reorganization legislation being debated at that time in the Senate.[211] Further, in the spring of 1986, Goldwater and Nunn's Task Force on Defense Organization conferred with members of the Packard Commission regarding their recommendations.[212] As a result of frank and

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[206] Lederman, 63.
[207] Ibid, 70.
[208] Stevenson, 171; Lovelace, 75.
[209] Lederman, 74.
[210] Locher, 417.
[211] Stevenson, 175.
[212] Locher, 391.

cooperative talks, Congress came to favor the Packard Commission reforms over the more revolutionary reforms proposed by the Locher Report.[213] Just as Goldwater and Nunn had supposed, the extravagance of the Locher report created a framework for the executive branch to enter the reform process.

With the president backing reform, Goldwater and Nunn turned their attention to building consensus for reform in the Senate and elsewhere. By early December 1985, Weinberger had accepted that a reorganization bill was inevitable and consented to backing reform.[214] However, the Joint Chiefs still rejected the reorganization bill coming out of the Senate Armed Services Committee, S. 2295. Despite the opposition led by Secretary of the Navy John Lehman and Senator John Warner (R-VA), Goldwater and Nunn continued with the mark up of S. 2295 on 4 February 1986. During the mark up session, Senator Warner offered eighty-seven written and forty oral amendments, most coming from the Navy. After fourteen markup sessions, the committee unanimously sent the bill to the full Senate for consideration in early March, having rejected the large majority of proposed amendments. The Senate passed the "Barry Goldwater Department of Defense Reorganization Act" by a vote of 95 to 3 on 7 May 1986. The House followed suit by passing the "William Nichols Department of Defense Reorganization Act" by a vote of 406 to 4. After an extremely divisive four-year political battle, the Goldwater-Nichols Department of Defense Reorganization Act of 1986 passed with only token opposition.

The Goldwater-Nichols legislation made the most sweeping changes to the organization of the United States military since the establishment of the Department of Defense in 1947.[215] Goldwater-Nichols made the CJCS the principal military advisor to the president and the secretary of defense, placed the joint staff under his control, and added a Vice Chairman to

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[213] Locher, 392; Lovelace, 76.
[214] Lederman, 73-74.
[215] Wilson.

provide continuity in his absence.[216] Further, the act reconfigured the chain of command to run

from the president through the secretary of defense to the CINCs. The JCS, including the CJCS,

were removed from the chain of command entirely. Finally, the act sought to create a culture of

"jointness" by requiring joint service for officers to achieve flag rank. Through these reforms,

Goldwater-Nichols came to play a critical role in the organization and execution of joint

operations. Many commentators point to the Goldwater-Nichols legislation as a key factor in the

military success of Operation Desert Storm in 1990-1991.[217]

A broad convergence of factors led to the successful passage of the Goldwater-Nichols

Act. Perhaps the most compelling reason that Goldwater-Nichols passed was due to the efforts

of leaders in the House and Senate, specifically Bill Nichols, Barry Goldwater, and Sam Nunn.

Staunch backing of defense organization by such well-respected leaders in Congress placed the

issue on the congressional agenda and went a long way toward building consensus around

proposed legislation. To successfully navigate the pitfalls of the congressional process,

specifically in regard to such a divisive issue as defense reform, it was necessary to seek the

unwavering support of venerated congressional leaders.[218]

A second factor contributing to the successful passage of the Goldwater-Nichols Act was

the proper management of two sets of stakeholders outside of Congress: bureaucrats and the

executive branch. Congressional leaders realized early on that the Joint Chiefs of Staff would

represent one of the largest roadblocks to reform. They chose to engage the JCS early to ensure

passage of the act. Although the chiefs never supported Goldwater-Nichols, it was essential that

various JCS Chairmen were behind reform, as well as the Army and the Air Force.[219] The

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[216] Herspring, 294.
[217] Lovelace, 66.
[218] Zegart, 236.
[219] Ibid., 235.

posture of the president toward reform was also crucial for the success of Goldwater-Nichols. Throughout most of the congressional debate over defense reorganization, President Reagan upheld an ambivalent stance toward reform. This executive refusal to engage in dialogue led to diminished political power and influence of the military bureaucracy, undercut the position of the JCS, and gave Congress room to maneuver without fear of a presidential veto.[220] While President Reagan's motives may have been self-interested, the backing of the Packard Commission came at the right time to propel the reform movement to success.

Third, military crisis clearly played a role in the passage of Goldwater-Nichols. Disorganized operations in Iran and Grenada, as well as tragedy in Beirut, contributed to increased awareness of the need for defense reorganization. In addition, these three events led to the development of an understanding regarding the problems involved with joint operations, thereby leading to the development of effective solutions.

Finally, the passage of Goldwater-Nichols benefited greatly from the engagement of Congress as a whole in the issue of defense reorganization. According to Senator Goldwater, "If the Pentagon is ever going to be straightened out, the only hope is for Congress to do it. The services are so parochial and powerful, there's no way the executive branch will ever get it done."[221] As this quote illustrates, Congress was the only body in the federal government capable of enacting meaningful reforms to the Department of Defense. However, the opposite point can also be made. The Goldwater-Nichols Act represents the only time between 1947 and 2002 that the Congress implemented legislation that significantly restructured an element of the national security apparatus. The question must be asked: what if Congress had declined to answer the call for defense reorganization?

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[220] Ibid, 146.
[221] Stevenson, 174.

Implications:

1. **Politics, as much as the need to respond to a given set of problems, may determine the content and implementation of reforms.**

Although Congress responded to deficiencies in the national defense system with the Goldwater-Nichols Act, the process leading to the passage of the act was fundamentally political in nature. The reform process in this case can best be described as one of endurance politics, with each of a myriad of stakeholders protecting their respective interests against the onslaught of an anarchic and diffuse opposition. Primarily, the service chiefs and the Secretary of Defense attempted to protect their interests against the repeated assaults by reformers in Congress. Although the solution in the end rested to a large degree on consensus and accommodation, the four-year political battle surrounding defense reorganization helped to shape the nature of the debate and, therefore, the final result. Any attempt to ignore the political context of a reform attempt, especially those involving Congress, will surely lead to failure.

2. **The background, personality, and political stature of principles can influence the nature of reforms.**

Goldwater-Nichols would never have succeeded without the willingness of Congressman Nichols, Senator Goldwater, and Senator Nunn to place their careers in jeopardy for reform. Further, the act could not have passed if these men were not who they were. Senator Barry Goldwater, because of his seniority in the Senate and his support of the Armed Services, was able to act as a rallying point for defense reorganization. The importance of individual actors in the reform process should not be overlooked.

3. **Congressional cooperation with the executive branch can influence the content of reforms as well as the likelihood of their adoption. Presidential participation in congressional reform should be designed in such a way as to neutralize the most fervent opponents of that reform.**

A main reason for the passage of Goldwater-Nichols was the tacit support afforded the reformers by President Reagan's backing of the Packard Commission. Ironically, another key factor to success was Reagan's ambivalence toward reform before 1986. While presidential impetus for reform served as a final rallying point for reformers in Congress, Reagan's earlier abstention from the debate undermined key opponents to reform in the DoD. From these observations, it is easy to see that a pro-reform president may want to withhold support for reform contingent upon political considerations.

4. **Internal and external roadblocks to congressional reform must be identified early on. Strategies to defeat opposition should integrate diverse groups of stakeholders, anticipate future political impediments, and consider the importance of proper timing.**

The major impediments to defense reorganization were found within DoD itself. Both the secretary of defense and the JCS were staunchly against reform. However, congressional leaders identified this impediment early on and crafted a strategy to neutralize the opposition within the department. By "radicalizing" the Locher Report, leveraging executive support against the department, couching debate on defense reorganization in a congressional context, and building consensus in Congress, defense reformers succeeded in marginalizing the views of the JCS. A comprehensive strategy must be constructed to implement comprehensive reform.

5. **Broad congressional reform should be conducted under the proper set of circumstances.**

Congressional action was appropriate in the case of Goldwater-Nichols due to a number of factors: the hesitance of the executive branch and DoD to conduct informal reforms, the hard-set opposition of the JCS to reform, and the urgent character of the perceived problems. In this case, congressional reorganization took a set of intractable issues away from a malfunctioning department, effectively imposing a solution from on high. However, the costs and benefits of congressional involvement in national security reform should be carefully weighed. It may not always be the case that congressional legislation is required or desirable.

6. **Scandal or crisis may play a role in determining the outcome of a reform attempt.**

It is important not to ignore the real causes and consequences of national security reform. In the case of Goldwater-Nichols, crises in Iran, Lebanon, and Grenada led to defense reorganization. If reform begins and ends with real-world applications, then these same considerations should influence the nature and content of a reform.

CHAPTER 7

**<u>Tower Commission and Scowcroft NSC Reforms and the 1991 Intelligence Reform
Legislation</u>**

On 26 February 1987, the Tower Commission delivered its final report to President

Ronald Reagan. The Commission, created by President Reagan to investigate the Iran-Contra

Affair, consisted of a three member panel: former Senator John Tower (R-TX), former National

Security Adviser Brent Scowcroft, and former Secretary of State Edmund Muskie. Throughout

1985 and part of 1986, members of the executive branch and the intelligence community sold

arms to Iran in exchange for the release of hostages and used the proceeds from the sale to

support right-wing Contra fighters in Nicaragua, all without the consent of Congress. The report

confirmed media reports that the operation had been run out of the National Security Council by

Lieutenant Colonel Oliver North with the full knowledge of National Security Adviser John

Poindexter. Not only was the national security advisor overseeing the operation, but Director of

Central Intelligence William Casey was the architect of the "arms for hostages" aspect of the

program. The public outcry led to both the executive and legislative branches of government

establishing investigative bodies and rocked the Reagan administration.

The Tower Commission was the first investigative body charged with comprehensively

exploring the National Security Council and the structure of the nation's security apparatus since

the Jackson subcommittee reports of the 1960s. Yet, in the light of its findings and to the

surprise of many, the commission did not advocate amending the 1947 act in any way. Its

recommendation clearly states, "We recommend that no substantive change be made in the

provisions of the National Security Act dealing with the structure and operation of the NSC system."[222]

The recommendations made by the commission in regards to the NSC were informal in nature and could be facilitated by the executive without intervention by Congress. Although the commission was critical of both National Security Advisors McFarlane and Poindexter and of President Reagan's lack of managerial expertise, it advocated no change which would allow the Director of Central Intelligence to be the statutory intelligence advisor to the council or in requiring Senate confirmation of the national security advisor.

Congress formed its own investigative committees in January of 1987, and Senators from both sides of the aisle began to support the idea of amending the 1947 National Security Act through legislation. The Reagan administration also responded to the Commission's findings, by making personnel and process changes. Soon after the report was released, Frank Carlucci became President Reagan's new National Security Adviser, and General Colin Powell was chosen as his deputy. One of Carlucci's main goals in assuming the role of National Security Adviser was to ensure that the Tower Commission reforms were taken seriously so that the NSC would never again be capable of overstepping its authority.

"[The] Tower Report became our owner's manual," Powell says. "We did what it recommended. Carlucci issued an order that the NSC was not to become involved in operations. We advised presidents; we did not run wars or covert strategies."[223] Carlucci soon made it clear that he was not a subservient staff member, but that he would chair principals' meetings as the

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[222] John Tower, et al., <u>The Tower Commission Report</u>, (New York: Bantam Books and Times Books, 1987), 94.
[223] David J. Rothkopf, <u>Running the World</u>, (New York: Public Affairs, 2004), 255.

Tower Commission had recommended, and regular access to the president and the other statutory members of the council became commonplace.[224]

In the Senate, however, some wanted to go further than the Tower Commission's recommendations. Senator Arlen Specter (R-PA) introduced legislation at the end of the 100th Congress in 1987 to create the role of Director of National Intelligence (DNI). Much like the position eventually created in the post-9/11 reforms leading to the establishment of a DNI, Specter's DNI would have been tasked with coordinating the various elements of the national intelligence community, including the Central Intelligence Agency. The Director of Central Intelligence would have become nothing more than the Director of the CIA. However, his legislation did not make it past the committee stage. Senator Specter again submitted his legislation on the first day of the 101st Congress in 1989, but again, no action was taken. During this time the Soviet Union collapsed, and the first Gulf War increased demands on the intelligence community. Believing that this new world order in the wake of the fall of the iron curtain and the conflict in the Middle East demanded an intelligence overhaul, Senator Specter, again introduced his legislation (Senate Bill 421) in early 1991.[225]

In addition to the fallout from Iran-Contra and the changing of the global political landscape, the DCI also had new responsibilities. The 1991 Intelligence Authorization Act amended the 1947 Act by charging the DCI with broad reporting responsibilities to both the House and Senate Intelligence Committees. However, under the 1947 structure, the majority of

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[224] Ibid.

[225] Richard A. Best Jr., "Intelligence Issues for the 102nd Congress," *Congressional Research Service*, (Washington, DC: Library of Congress, 20 Jan. 1991), 5.

intelligence agencies, many of which were not in existence in 1947, reported to the Secretary of Defense or the Secretary of the Treasury and only had loose responsibilities to the DCI.[226]

These reasons also led Senator David Boren (D-OK), chair of the Senate Intelligence Committee, to introduce his own legislation (Senate Bill 2198) similar to Senator Specter's bill, and to Representative McCurdy (D-OK), chairman of the House Intelligence Committee, introducing that same legislation in the House (H.R. 4165). Both Senate bills called for the new DNI to be a statutory member of the NSC, and for the DNI to submit the intelligence budget to Congress. In a 1992 article for the Yale Law Journal, Senator Boren presented his and Congressman McCurdy's legislation as a counterpart to the Department of Defense's Goldwater-Nichols Act. "The joint command structure established by Goldwater-Nichols contributed immeasurably, in my view, to our victory in the Gulf War. Intelligence should follow suit and organize its extraordinary capabilities to satisfy the requirements of military commanders in the most effective way."[227] The Senate Select Committee on Intelligence held four days of hearings on both Senators' bills between 20 February and 19 March of 1992. On 1 April, both bills received a joint hearing before the Senate Intelligence Committee and the Permanent Select Committee on Intelligence of the House of Representatives.

During the 19 March committee hearing, Senator Specter acted as a witness for the committee and briefly outlined his reasoning for vehemently supporting the legislation in three separate Congresses. During his testimony he quoted from a statement of former Secretary of State George Schultz, which was issued during the Iran-Contra scandal when listing lessons learned from the subsequent investigation:

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[226] Russell J. Bruemmer, "Intelligence Community Reorganization: Declining the Invitation," *Yale Law Journal* 101, no. 4 (January 1992), 875.

[227] David Boren, "Winds of Change at the CIA," *Yale Law Journal* 101, no. 4 (January 1992), 860.

One is the importance of separating the function of gathering and analyzing intelligence from the function of developing and carrying out policy. It's hard to say any better than that in terms of the conflict of interest which was present in the Central Intelligence Agency under Director Casey, to be direct, on what happened with cooking intelligence information to support the policy that the Director wanted to carry out… This bill seeks to create a Director of National Intelligence, separate and distinct from the Director of the Central Intelligence Agency, to avoid that conflict of interest.[228]

Senator Boren's bill called for the creation of a Director of National Intelligence because the 1947 National Security Act created a decentralized intelligence community yet tasks the DCI with performing centralized coordination functions. Senator Boren issued his assessment in the committee hearings, saying, "In short, despite all the rhetoric about the role of the Director of Central Intelligence as leader, coordinator, budgetary leader of the Intelligence Community, I do not see a leader with clear responsibilities…or a leader with sufficient wherewithal to effectively manage the U.S. Intelligence Community."[229]

It would seem that with bipartisan support in both the House and the Senate, the legislation would slowly make its way through the Congressional process, but the committee hearings were the final actions taken regarding the reform acts. Congress acknowledged the need to reform the intelligence community at least ten years before Iran-Contra. In addition, General Scowcroft, one of the three members of the Tower Commission was quoted in a *New York Times* article as saying that Director Casey had compromised his analysis by accompanying it with policy recommendations to meet the goals of the NSC staff conducting the "arms for hostages" deal.[230]

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[228] US Senate, Select Committee on Intelligence, *Hearings on S. 2198 and S. 421 to Amend the National Security Act of 1947 to Reorganize the United States Intelligence Community*, 102nd Cong., 2nd sess., 1992, 298.

[229] Ibid., 174-175.

[230] US Senate, Senator Arlen Specter statements on introduction of Senate Bill 421, S. 421, 102nd Cong., 1st sess., *Congressional Record* (February 19, 1991), S. 1908; Fox Butterfield, "Tower Commission Feared Analysis Was Compromised," *New York Times*, 28 Feb. 1987, http://query.nytimes.com/gst/fullpage.html?res=9B0DE3D8113DF93BA15751C0A961948260.

Members of both Congress and the executive branch seemed to agree that some kind of intelligence reorganization was needed. It appears that President George H.W. Bush also saw the need to comprehensively assess the government's intelligence community because in November of 1991 he issued National Security Review 29, ordering federal agencies to review their intelligence capabilities. Both the Department of Defense and the Central Intelligence Agencies immediately began this process.[231] It would be reasonable, therefore, to expect support of the proposed legislation from President Bush's administration.

However, in early April 1992, the administration publicly announced it would not support any large overhaul of the intelligence community. Several reasons exist for the administration's stance on the issue. First, General Scowcroft was now once again the national security adviser, this time for President George H. W. Bush. As was mentioned earlier, the Tower Commission had already become the "owner's manual" for President Reagan's National Security Council under Frank Carlucci and Colin Powell. Now, the man who wrote the NSC section of the Tower Commission, which advocated there be no change to the 1947 Act, was institutionalizing those changes by creating deputies committees and chairing principals meetings.[232]

President George H. W. Bush issued National Security Directive-1 on Inauguration Day. Under the direction of this order, the NSC was divided into three distinct levels. The first level was the principals committee, comprised of the statutory members of the council and headed by General Scowcroft. The second level, the deputies committee, became an enlargement of President Reagan's Policy Review Group, and coordinated policy by keeping in constant communication with each deputy's corresponding superior. The final level consisted of eight separate policy coordinating committees tasked with various areas of concern or regions of

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[231] Best (1991), 8.

[232] Richard A. Best, Jr., "Intelligence Reorganization Proposals," *Congressional Research Service*, (Washington, DC: Library of Congress, 6 April 1992), summary; For Scowcroft NSC changes see, Rothkopf, 266.

specialization. The policy coordinating committees replaced President Reagan's reliance on interagency working groups, which were plagued with inefficiency.[233]

There was no reason to fear the invasion of "cooked" CIA analysis into the decision making process because all the informal reforms recommended by the Tower Commission had now been put in place. The first President Bush administration was coordinating the reunification of Germany, the Persian Gulf War, the invasion and rebuilding of Panama, and the dismemberment of the Soviet Union in a very short span of time and quite successfully. A major overhaul of the intelligence community and the NSC at that time was seen as largely unnecessary due to the Bush Administration's ability to skillfully navigate a tedious and outmoded national security apparatus. DCI Robert Gates claimed that the administration's opposition to further congressional legislation regarding the intelligence community stemmed from the need for the president to have flexibility with assets during a time of great international flux.[234]

Second, President George H.W. Bush served as Director of Central Intelligence and ran the intelligence community during President Ford's administration. In 1978 the Senate Select Intelligence Committee held a series of hearings on the National Intelligence Reorganization and Reform Act of 1978 (S. 2525). As stated in the previous chapter, creating a separate Director of National Intelligence was one of the many reforms contained in the act. The committee heard the testimonies of former central intelligence directors, among which was George H.W. Bush. He, along with every other former director, testified against the creation of a national intelligence director separate from the Central Intelligence Agency, and there is no indication that he changed his mind on the subject.

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[233] John Prados, Keeper Of The Keys: A History of the National Security Council from Truman to Bush, (New York: William Morrow & Company, 1991), 548.
[234] Ibid., 8.

> The CIA Director in my view should be the DNI. And I think that a Director of National Intelligence separated from the CIA staff with more emphasis on the civilian arm of intelligence, somewhere officing [sic] down in the Executive Office Building, would be virtually isolated. In theory he could draw on all the community elements, but he needs the CIA as his principle source of support to be most effective.[235]

Also, Secretary of Defense Cheney was critical of S. 2198 and H.R. 4165 of the 102nd Congress for making the proposed DNI "the director and manager of internal DoD activities that in the interest of efficiency and effectiveness must remain under the authority, direction, and control of the Secretary of Defense."[236]

The Scowcroft reforms that created the deputy-level committees, started under Carlucci and Powell, have been immensely successful. The efficacy of the system is validated by the fact that both the subsequent Clinton and George W. Bush administrations have maintained the Scowcroft NSC structure. Before the reforms, every entering administration would rearrange the structure of the NSC too meet its own needs. Since the adoption of the Scowcroft reforms, the NSC has never again taken on policy operation but has maintained its statutory role of planner and advisor to the president.

However, the reforms did not remedy the problem of creating a completely impartial DCI. The reform did nothing to encourage intelligence sharing between agencies, and the nation was without an impartial intelligence clearinghouse until after the attacks of 9/11. In December 2004, Congress created a Director of National Intelligence after the 9/11 Commission found that the lack of such a position had contributed to the breakdown in information sharing that could have prevented the attacks of 2001.

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[235] US Senate, Select Committee on Intelligence, *Hearings on S. 2525 National Intelligence Reorganization and Reform Act of 1978*, 95th Cong., 2nd sess., 1978, 48.
[236] Best (1992), 9.

Implications:

1. **Presidential impetus is an important factor in determining the success of a reform attempt.**

One reason for the failure of the bill proposed by Senators Specter and Boren was a lack of

support by the executive branch. Already seeking to realign the intelligence community when

the bill was introduced in Congress, President Bush favored internal departmental evaluation of

intelligence practices, already initiated by National Security Review 29. Rather than a

congressional statute, President Bush was in favor of an executive review. In addition, President

was never on board with the idea of statutorily changing the 1947 Act to include a DNI. Without

presidential backing, the Senate bill faded.

2. **Bureaucratic resistance often acts as an obstacle to reform.**

Agency and department heads within the executive branch constituted a serious obstacle to the

Specter and Boren legislation. Secretary of Defense Dick Cheney opposed reform because of the

need for efficiency in the Department of Defense. Director of Central Intelligence Robert Gates

decried proponents of reform, saying that attempts at reform would hinder the administration's

ability to flexibly marshal assets during a critical period of international flux. These two

powerful bureaucrats rallied opposition to congressional reform.

3. **Presidential commissions are more effective at implementing reforms than congressional investigative committees.**

The effectiveness of the two investigative bodies outlined in this case differs markedly. The

Tower Commission, a bipartisan investigative body, concluded that there was no need for

congressional action affecting the NSC since the commission's reforms had already been

implemented through informal processes by the time the report was released. In contrast, after the Hamilton-Inouye joint committee released its report, virtually all of its recommendations regarding congressional legislation were ignored. The report was released nine months after the Tower Commission report and months after significant personnel changes and structural changes were made in President Reagan's NSC. In this case, the congressional committee was unable to implement its reforms through legislation due largely to its inability to provide recommendations in a timely manner. By the time the committee produced its recommendations, the sense of urgency generated by the Iran-Contra scandal had subsided.

CHAPTER 8

The Clinton PDD-56 Order

Since the end of the Cold War, the United States has become increasingly involved in

coordinating long-term peacekeeping operations around the globe. To ensure their success,

Complex Contingency Operations (CCOs) require the expertise and commitment of not only the

Department of Defense, but also the Departments of State and Commerce, as well as member

agencies of the intelligence community. In May 1997, the Clinton Administration announced a

new plan for handling such operations; the plan was set forth in an executive order entitled

Presidential Decision Directive 56 (PDD-56). This order contained several key points that would

lead to improving the United States' ability to restructure and sustain a nation's government and

economy and to apply the lessons learned from such operations in the future. These included:

- The creation of an Executive Committee (ExCom) by the Deputies Committee of the
  NSC to supervise the day-to-day management of the operation and bring in
  representatives from involved agencies excluded by the formal NSC structure;

- The development of a political-military plan by the ExCom which outlines
  benchmarks of success for the program, identifies the responsibilities of each agency
  involved, and identify primary preparatory issues before the operation begins;

- The rehearsing of the political-military plan;

- A mandatory "lessons learned" report by the ExCom at the conclusion of the conflict
  that may be used for training at the nation's military colleges.[237]

Two years later, the Joint Chiefs of Staff commissioned a study to measure how effective

the PDD-56 process had become. A.B. Technologies consulting firm administered the study and

found that little had been done to fully implement the executive order when new complex

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[237] The White House, PDD-56 White Paper, "Managing Complex Contingency Operations," May 1997.

contingency operations arose. It identified the National Security Council as being primarily responsible for the failure of the order. The report claimed that not only had the NSC not led the effort to create the Executive Committees as directed, and that certain agencies had claimed they were to play no part in the PDD-56 process when the opposite was true, but in fact, "no one has stepped forward in the leadership role."[238] Because of a lack of presidential leadership, a lack of specificity, inter-agency conflict, and the international aspect of complex contingency operations, the PDD-56 process ultimately failed.[239]

The need for such a plan is evidenced by the events that transpired in Mogadishu, Somalia in 1993. American troops were first sent to Somalia in 1992 to deliver food and to act as peacekeeping troops in accordance with UN Security Council resolution 794. As events escalated over the next several months, the United States was encouraged to expand its mission to include the disarmament of militia groups in addition to the continuing protection and distribution of aid supplies. The culmination of this escalation was the incident in Mogadishu in June 1993 when US special operations forces tried to capture Somali warlord Mohammad Aideed. This operation was the impetus for President Clinton's seeking a new way to coordinate interagency planning. The "Black Hawk Down" incident, as it is popularly known, was the result of "mission creep." The original goals of the mission had been expanded with very little direction from Washington, and as complex operations like these continued to arise throughout the mid-1990s, better departmental coordination was demanded.[240]

Other more successful operations presented the benefits of interagency coordination that Somalia lacked. Operation Sea Angel was the codename for the US military mission into

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[238] Rowan, Scarborough, "Study hits White House on peacekeeping missions," *Washington Times*, 6 Dec. 1999, http://www.fas.org/irp/offdocs/pdd/991206-pdd.htm.

[239] Ibid.

[240] For details of the operation in Somalia see Jonathan Stevenson, <u>Losing Mogadishu</u>, (Annapolis, MD: Naval Institute Press, 1995).

Bangladesh after Cyclone Marion wrecked havoc along the eastern coasts of the Indian

subcontinent in May 1991. Major General Henry Stackpole III headed the Joint Task Force

charged with delivering aid and stabilizing the Bangladeshi government. The military made sure

to be subservient to the local government and let them know that they, and not the task force,

were in charge. Meeting daily with the government and relying on NGOs with a greater

knowledge of the country, the two goals of the mission were complete within one month.[241]

During President Clinton's first term the lessons of Somalia and Haiti, in particular,

proved that a coordinated and systematized effort aimed at coordinating both governmental and

civilian agencies resulted in meeting the goals of CCOs. President Clinton's ordering a review

of interagency peacekeeping policies resulted in Presidential Decision Directive 25 (PDD-25).

This order established instructions for peace operations and focused attention on the need for

greater dialogue between the different agencies involved in the operation. PDD-56 was an

attempt to give specific details to PDD-25 and task certain entities (i.e. the NSC deputies

committee) with coordinating this dialogue.[242]

The first CCO that should have been managed through the PDD-56 order was the

operation in Kosovo. However, the conflict in Kosovo was a NATO operation, and much of the

effort behind the operation was focused on uniting the NATO coalition and was headed by NSC

principles such as Secretary of State Madeline Albright and National Security Advisor Sandy

Berger. President Clinton spent much of his time garnering support from European allies and

ensuring that Congress approved the use of military force in the Balkans.[243] Meanwhile, the

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[241] Jamie H. Wise, "Bridging the Gap in Civil-Military Coordination to more Effectively Support Humanitarian Relief Operation," Newport: Naval War College, 9 Feb. 2004.

[242] William P. Hamblet and Jerry G. Kline, "Interagency Cooperation: PDD 56 and Complex Contingency Operations," *Joint Force Quarterly*, (Spring 2000), 93.

[243] For President Clinton's account of his diplomatic actions during Kosovo see Bill Clinton, <u>My Life</u>, (New York: Knopf, 2004).

NSC never formed an ExCom or a political-military plan. Since PDD-56 does not provide for the inclusion of other state actors in the planning process, much of the planning process for the operation was handled at the higher diplomatic level which would have rendered moot any preparation and planning the ExCom completed.

Members of the Defense Department in particular were aware of the need for international cooperation in the planning process based on the experiences in both Somalia and Haiti. Colonel Douglas Lute, an executive assistant within the Office of the Secretary of Defense, noted in April of 1998 that the United States is more and more likely to be a part of international coalition in complex operations in failed states. Therefore, according to Colonel Lute, PDD-56 should serve as a foundation to include allied nations and non-government organizations in the long-term planning process.[244] When the planning for the invasion of Haiti was taking place, several outside actors were convened to contribute to the plan. Haitians who now lived in the United States and UN representatives were consulted as well as international and local NGO officials. Even though the contributions of these entities ensured the success of the Haiti operation, the PDD-56 plan did not provide for outside information in the planning of future operations.[245]

The managerial style of the president is partly responsible for the failure of the PDD-56 process. President Clinton was partial to making decisions with a close group of advisors, much in the model of President Kennedy. From the beginning of the administration, formal meetings of the NSC with the president in attendance were rare, and the president relied on the council very little. In 1995 President Clinton told Dick Morris that he never got policy options from the

[244] Douglas E. Lute, "Improving National Capacity to Respond to Complex Emergencies: The U.S. Experience," Carnegie Commission on Preventing Deadly Conflict, (New York: Carnegie Corporation of New York, April 1998).

[245] Tonya Langford, "Orchestrating Peace Operations: The PDD-56 Process," *Security Dialogue* 30, no. 2 (June 1999), 145.

NSC, then under the leadership of Anthony Lake.[246] Lake also failed to keep political advisors

Dick Morris, David Gergen, and George Stephanopoulos from participating in NSC principal

meetings because the president wanted them there. President Clinton's informal style is also

evident in the buildup to the raid in Mogadishu. The decision was made on the recommendation

of the Pentagon via Joint Chiefs Chairman Colin Powell, and no NSC meetings were held about

the action before the raid took place.[247] President Clinton continued to rely more on his national

security advisor's advice and relationship to him more than on the formal NSC structure or the

strategies and recommendations the NSC committees produced.

One of the key reasons for the failure of PDD-56 was a lack of specificity in the order

itself. Although the executive order document itself is classified, the White House released a

white paper containing a description of the new system. Those who would have had a stake in

his or her agency being part of the planning process already had the ear of the president. The

organizational structure in the order appeared to be sound, but no one was tasked with ensuring

that the process was initiated. The order identifies the National Security Council, and more

specifically, the Deputies Committee as being responsible for creating the ExCom, but no

specific individual was charged with making sure that happened. Thus, the executive order

lacked a provision ensuring its proper execution.[248] In addition to not specifying a leader for the

ExCom's creation, the order also does not specify which agencies should have control over

which aspect of the operation. This type of ambiguity can lead to smaller, more specialized

[246] William Hyland, Clinton's World: Remaking American Foreign Policy, (Westport, CT: Praeger, 1999), 142.

[247] David J. Rothkopf, Running The World (New York: Public Affairs, 2005), 335, 365.

[248] The White House, PDD-56 White Paper.

agencies (e.g. USAID) from being left out of the plan even though it may be the best suited for a particular part of the operation.[249]

Another obstacle to the plan's success was the confluence of different agency and department cultures into the planning process. The Defense Department is adept at planning; advanced contingency planning for the military is a hallmark of Pentagon operations. The State Department, however, is much more used to dealing with unforeseen crises as they arise. The contrast between the prevailing ideologies of these two agencies is sometimes witnessed in the conflict that occasionally arises between the department secretaries, most notably between Casper Weinberger and George Shultz during the Reagan administration.[250]

The Pentagon also has the resources and the experiences to accomplish many of the objectives that sometime fall under the purview of the State Department. For example, the Pentagon went quickly into Southeast Asia after the December 2004 Tsunami and delivered aid much in the same way USAID usually does. Much of this expansive power of the Defense Department is due in part to the resources available to the Pentagon. The Defense Department's budget is approximately 36 times that of the State Department, and the Pentagon has begun to provide services that overlap with those more traditionally administered by the State Department. Traditionally, the Department of State has goals that relate to a much broader picture and are comfortable with some ambiguity in the operational process. Defense wants specifics. It is used to fixing immediate and short-term problems on the ground with manpower. State views the world in shades of gray and Pentagon personnel see the world in black and white. These

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[249] Thomas Lafleur, "Interagency Efficacy at the Operational Level," (Fort Leavenworth, KS: School of Advanced Military Studies: United States Army Command and General Staff College, 2004), 40.
[250] Ibid., 32.

different worldviews, overlapping of services, and discrepancies in resources often lead to

multiple divergent approaches that lack the supervision of a leader and master plan.[251]

Implications:

1. **Although executive orders are easier to implement than congressional statutes, they may falter due to a lack of enforcement.**

Executive orders typically lose momentum due to a change in administration. However, in the

case of PDD-56, the executive order failed in the implementation phase due to a lack of

presidential support and enforcement. Rather than making PDD-56 a hallmark of his

administration, President Clinton let the executive order collapse. President Clinton never

demanded to see a political-military plan before the invasion of Kosovo. He did not request

updates on the planning process, nor did he designate an advisor to ensure the proper

implementation of his executive order. To prevent such a lack of enforcement, Clinton would

have benefited from implementing PDD-56 earlier in his administration. By the time Clinton

signed PDD-56, the mechanisms and processes of his NSC were sufficiently institutionalized as

to prevent effective implementation of a new organizational reform.

2. **Omissions in the drafting of a formal reform may lead to poor implementation.**

PDD-56 failed to designate a manager to oversee the planning process for complex contingency

operations. It did not specify the number of representatives to include from various agencies, nor

did it assign specific departmental responsibilities. Because of these omissions, no leader

emerged to ensure the successful implementation of PDD-56. While other executive orders led

to the creation of permanent fixtures in the national security apparatus, PDD-56 failed to remain

in force because of significant substantive omissions in the order itself. When drafting reforms

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[251] Ibid., 26-28.

to the national security system, serious consideration must be given to the construction of a

viable and enduring organizational structure.

3. Reforms to the national security system must consider the wide range of stakeholders whose participation is necessary to ensure effective policy coordination.

Because they occur abroad under the scrutiny of the international community, complex

contingency operations must often be coordinated with various other state and non-state actors

on the international stage. However, PDD-56 contained no provision allowing representatives

from these entities to be brought into the policy planning and coordination process. Complex

operations must necessarily involve all stakeholders, both domestic and foreign.

CHAPTER 9

Homeland Security in the Aftermath of 9/11

In the aftermath of 9/11, both Congress and the Bush administration made moves to alter the structure of the federal government to deal with terrorism both at home and abroad. The question of the day was "how could this have happened?" The clamor over answering this question resulted in the single largest overhaul of US national security since the creation of the 1947 National Security Act itself: the creation of the Department of Homeland Security. Because of the lack of coordination between agencies in sharing intelligence and responding to threats, the reform was an attempt to make sure such inefficacy could not lead to another attack. In addition to a massive new cabinet department, a presidential commission charged with investigating the attacks produced a report leading to the creation of a Director of National Intelligence and numerous other reforms. The fallout from the attacks altered the National Security Council, the intelligence community, congressional oversight and virtually every executive branch department. Yet, throughout all these changes, all the hallmarks of reform attempts presented in the previous chapters were present. Because of the imminence of these events and the size of the overhaul, this chapter has particular relevance as to learning how to best approach comprehensive national security reform in the future.

On 8 October 2001 President Bush issued Executive Order 13228. The order created the Homeland Security Council (HSC) and the Office of Homeland Security (OHS) and located both entities within the White House. To head the new office as homeland security advisor, President Bush chose Pennsylvania Governor Tom Ridge, a longtime friend and political ally. The

position was to be a counterpart to that of the national security advisor, funded by the OMB's

allocation of $25 million of the $40 billion in emergency funds Congress had appropriated after

the attacks to coordinate the dozens of independent agencies throughout the government

responsible for homeland defense.[252]

Three days later Senator Joseph Lieberman (D-CT) introduced a bill cosponsored by

Senator Arlen Specter (R-PA) that called for the creation of a Department of Homeland Security

(S. 1534). This new cabinet department would have budgetary authority and would, by statute,

group the different agencies with various homeland security responsibilities under the new

secretary's purview. During the first few months of 2002, Ridge's refusal to testify on various

components of his government realignment plans and his lack of budgetary authority led

members of Congress on both sides of the aisle to gravitate towards Senator Lieberman's bill.

By January 2002, Ridge had formulated a plan to be included as part of the president's

FY 2003 fiscal budget submitted to Congress. The plan called for the streamlining of several

agencies and departments including the Customs Service, the INS, the Border Patrol and the

Coast Guard, the creation of a national threat level warning system, and the development of

security standards at the federal, state and local level. However, Ridge's only ability to

implement his plan was through persuasion due to his lack of budgetary and statutory

authority.[253]

President Bush requested almost a doubling of homeland security funds totaling

approximately $38 billion in the FY 2003 budget he submitted to Congress on 4 February 2002,

which would be dispersed to the various agencies under the jurisdiction of several different

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[252] Wayne Washington, "Ridge Sworn In To New Post Office's Mandate Is To Coordinate Antiterrorism Effort," *Boston Globe*, 9 Oct. 2001.
[253] Eric Pianin and Bill Miller, "For Ridge, Ambition and Realities Clash; Homeland Security Chief May Lack Means To Implement New Initiatives," *Washington Post*, 23 Jan. 2002.

cabinet members. The budget for homeland security would then be greater than six other cabinet level departments but would have little to no oversight. Senator Robert Byrd (D-WV) and Senator Ted Stevens (R-AK), the chairman and ranking member respectively of the Senate Appropriation Committee, informally requested that Ridge testify before Congress to explain the budgetary request, but Ridge claimed that to do so would infringe upon the turf of the cabinet members who would actually have discretion over the funds. Senate Majority Leader Tom Daschle (D-SD) stated, "There are many questions regarding the appropriations aspects of homeland security. Clearly it will involve a commitment in appropriations that I think will take some explanation. No one can do it better than Governor Ridge."[254] The message from OHS was that Governor Ridge did not want to outline the budget priorities of the energy secretary or the attorney general. However, administration officials told press reporters that the White House did not want to set a precedent of having members of the president's executive team called to testify before Congress.[255]

Two months later, Representative Ernest Istook (R-OK), the Republican chairman of the appropriations subcommittee funding the White House, said that he would withhold money from the executive branch until Governor Ridge testified. President Bush had commented earlier in a press conference of Governor Ridge declining a formal request from both Senator Byrd and Senator Stevens, "[Ridge is] part of my staff and that's part of the prerogative of the executive branch of government, and we hold that very dear."[256] However, with the threat of withheld

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[254] Dave Boyer, "Ridge reluctant to testify in Senate; Precedent feared by White House," *Washington Times*, 27 Feb. 2002.
[255] Ibid.
[256] Alison Mitchell, "A Nation Challenged: The Security Director; Ridge Offers Compromise on Testimony Before Congress," *New York Times*, 25 March 2003.

funds and a possible congressional subpoena from the Senate, Ridge agreed to answer informal

questions posed by Congress but not to testify under oath.[257]

By early April the Senate Government Affairs Committee, chaired by Senator

Lieberman, began holding hearings regarding his homeland security bill. It was in the hearing

on 11 April that the director of the White House Office of Management and Budget, Mitch

Daniels, made the surprise announcement that the administration was open to exploring the

possibility of creating a separate department of Homeland Security. When describing his

opinion of the act, he replied "My instinctive response in very positive."[258] During the hearings,

Comptroller of the United States David Walker confirmed that the very nature of Governor

Ridge's position precluded him from being able to truly make the changes needed to secure the

homeland and combat terrorism. It became evident to the White House that Congress was

gaining control of homeland security reform and was backing its demands with threats of

withheld funds. In a move to regain the initiative, the administration, and in particular, White

House Chief of Staff Andrew Card and White House counsel Alberto Gonzalez, began crafting,

in secret, the president's own bill to form a homeland security department.[259]

Throughout May, Congress continued to move quickly in favor of establishing a separate

department, and the White House continued its publicity campaign to appear open to such a

change. Senator Lieberman introduced a new bill for the establishment of a new department

based upon the Government Affairs Committee hearings of the previous two months (S. 2452),

and Representative Max Thornberry (R-TX) introduced companion legislation in the House

(H.R. 4660). On 22 May the Senate Government Affairs Committee voted 7 to 3 to report

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[257] Ibid.

[258] Karen Masterson and Michael Petrocelli, "Cabinet status could force Ridge to open up," *Houston Chronicle*, 12 April 2002.

[259] Ibid; Harold C. Relyea, "Homeland Security: Department Organization and Management," *Congressional Research Service*, (Washington, DC: GPO, 19 Nov. 2002), 16.

favorably Lieberman's bill to the full Senate. The same day, Vice President Dick Cheney said on *Larry King Live* that the administration was conducting a review of the homeland security structure and could end up with various new options. It appears that even as the administration was creating its own bill during this time, Governor Ridge was not informed of the new plan. The last week of May, Governor Ridge publicly stated that he would advise President Bush to veto any legislation creating an authorized cabinet level office or department of homeland security.[260]

The first week of June, President Bush announced that he would be transmitting a bill creating a separate department to Congress for its consideration, and by 18 June, the president's bill was in the hands of the legislative branch. A CNN/USA Today/Gallup pole conducted during the first part of June, which surveyed 800 adults, found that 72 percent of the public were in favor of creating a new department to deal with homeland security. A turf battle ensued over which branch of government would receive credit for the now inevitable new department. On 19 June Majority Leader Dick Armey (R-TX) and Minority Leader Dick Gephardt (D-MO) announced that the president's bill would be dealt with on an expedited basis in the House by a select committee composed of four Democrats and five Republicans. By contrast, the Senate leadership decided to work on the Lieberman legislation, which was already before the full chamber, as opposed to the administration's bill. Senator Lieberman also announced it was possible that amendments could be offered to his bill that would include placing part or all of the FBI in the new department. "This was on our agenda," said Senator Daschle, "not theirs."[261]

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[260] Adriel Bettelheim, "Impatient Senate Drafts Its Own Homeland Security Plan," *CQ Weekly* 60, no. 21 (25 May 2002), 1387; Brody Mullins, "Ridge: Bush Should Veto Cabinet-Level Security Position," *Congressional Daily*, 30 May 2002.

[261] Adriel Bettelheim, et al., "Security Plan Gets Solid Backing But No Rubber Stamp On Hill," *CQ Weekly* 60, no. 24 (15 June 2002), 1577.

The two bills differed in major respects. The House bill (H.R. 5005) would merge over two dozen agencies into one department, whereas the Senate bill would only consolidate approximately one third of those entities.   Besides the new department's size, the two bills differed in another respect. The House bill made no mention of the Office of Homeland Security or the Homeland Security Council within the White House, whereas the Lieberman bill called for the new secretary to be a statutory member of the NSC, established a National Office for Combating Terrorism within the White House, and created a National Combating Terrorism and Homeland Security Response Council to develop strategies for homeland security defense.[262] The Senate bill was a deliberate attempt to supplant the Homeland Security Council and the Office of Homeland Security established by Executive Order 13228 by creating new entities headed by leaders created by and answerable to Congress.

On 19 July the House select committee reported the president's bill to the full chamber with a vote along party lines. It was very similar to the president's original proposal, but with the addition of a codified Homeland Security Council and a membership which included the new secretary. On 24 July the Senate Government Affairs Committee began marking up an amendment offered by Senator Lieberman to his own bill, S. 2452, which had been reported favorably on 22 May. The next day the committee withdrew the original S. 2452 and approved the new amendment in the nature of a substitute. This new version of S. 2452 was much larger than the previous bill and added most of the agencies to the department that were in the House version with a few exceptions. However, the new version did include two notable provisions not in the House bill: a national office for combating terrorism to be located within the White House and continued collective bargaining rights and federal employee labor protections.[263]

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[262] Relyea, 20.
[263] Ibid., 25.

On 26 July the House passed its version of the bill (H.R. 5005) and sent it to the Senate for consideration. When the Senate took up the measure on 3 September, Senator Lieberman introduced his amendment as a substitute to H.R. 5005. President Bush publicly stated that he would veto any legislation creating a department that did not give him the flexibility in hiring guidelines he demanded. During the following weeks, amendments to the Lieberman substitute were introduced and slowly chipped away at the bill. Amendments passed which eliminated the provision for an office for combating terrorism, and Senate Democrats failed to invoke cloture on the amendment after trying four separate times by the end of September.[264]

It is of note that the failure to pass a comprehensive homeland security bill was of great political importance with midterm elections a little over one month away. According to unnamed strategists, the president and GOP congressmen were hoping to use the idea that Democrats were "holding up" crucial legislation, which left the country vulnerable by arguing about minute labor details. Talk of Senator Lieberman entering the presidential primary race the following year also circulated through Washington, and it was supposed that his action demanding labor rights would boost his support by the AFL-CIO. Senator Lieberman's record of siding with the AFL-CIO grew from only 29 percent of the time in 1997 to 93 percent of the time in 2001. Beside Lieberman's own personal political ambition, labor backed many Democratic candidates in races all over the country in the 2002 election. Everyone wanted to appear as though they were fighting bitterly for some constituency or another, even if one or both sides knew what the final outcome would be.[265]

The 2002 elections gave the Republicans a majority in the Senate and a greater majority in the House; with no relief in coming in 2003, the "lame duck" Democrats decided to make the

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[264] Ibid., 28.
[265] Brody Mullins, "As Debate Begins, Senate Split On Labor Issues In Homeland Bill," *Congress Daily*, (25 Sep. 2002).

best stand possible. At the behest of President Bush, the GOP leadership agreed to reconcile the

differences needed in order to pass an identical bill through both chambers with little or no

amendments. On 13 November the House passed a brand new homeland security bill (H. R.

5710) with a closed rule allowing no amendments to replace the original H.R. 5005. In the

Senate, Senator Lieberman's amendment in the form of a substitute was tabled on a vote of 50 to

47. A new amendment, crafted by Senator Fred Thompson (R-TN), the ranking member and

Lieberman's GOP counterpart on the Senate Government Affairs Committee, was introduced in

the nature of a substitute and was identical to the newly passed H.R. 5710. Senator Lieberman

issued amendments to delete some of the language in the bill but they were all defeated. [266] A

crucial agreement had already been reached.

Three moderate senators, Lincoln Chafee (R-RI), Ben Nelson (D-NE) and John Breaux

(D-LA), agreed to a provision in the new bill which gave labor unions two months to review the

provisions in the bill and seek mediation. It also required the president to issue a one-year plan

for the realignment and submit it for Congress but for perusal only, not approval. "It boils down

to counting votes," said Chafee.[267] The passage was a clear victory for the administration. David

King, a congressional expert at Harvard University stated: "President Bush has never been as

powerful as he has with respect to this week."[268] The Pressure from the White House was even

enough to stop Senator Arlen Specter, the man who had cosponsored Senator Lieberman's

original bill, from submitting three amendments to the act with the promise that they would be

addressed in 2003.[269]

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[266] Relyea, 30.
[267] Mary Dalrymple, "Homeland Security Department Another Victory For Administration," *CQ Weekly*, (16 Nov. 2002), 3002.
[268] Ibid.
[269] Ibid.

President Bush signed the new legislation into law on 25 November 2002. The Homeland Security Act of 2002 consolidated 22 federal agencies into one department headed by Governor Tom Ridge, the first Secretary of Homeland Security. For this to be the largest overhaul of national security since 1947, it is interesting to note how quickly the bill became law. Throughout the process lawmakers on both sides made comments about how fast the creation of the new department occurred. Congressman Rob Bennet (R-UT) said the creation of the Transportation Department during the early 1970s, in which he took part, took over four years to complete.[270] The National Security Act of 1947 with its subsequent 1949 amendments took approximately the same amount of time to structure and pass through Congress. Even after years of extensive planning, the 1947 Act has required amendments to mitigate the flaws in structure inherent since it passage (i.e. Goldwater-Nichols). Time will be the true judge of how well the latest cabinet department was created.

Implications:

1. **Presidential impetus is an important factor in formulating the substance of a set of reforms.**

Although President Bush lost the battle with Congress over the creation of a Department of Homeland Security, the administration exercised considerable sway over the legislative process, resulting in the ability to craft the final bill to meet its demands. When the House brought homeland security legislation to the floor for a vote, it did so with a closed rule at the president's behest. In the Senate, President Bush was able to persuade Senator Specter to refrain from offering three critical amendments to the bill. The executive branch was also able to remove the provisions of Senator Lieberman's bill, which called for an antiterrorism strategy office within the White House. The result was that cloture on the bill was easily reached in the Senate.

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[270] Bettelheim, "Impatient."

Finally, the White House prevailed when it decided not to negotiate on the issue of job flexibility. The executive branch, even while opposed to reform, exacted considerable sway over the legislative reform process.

2. Broad congressional reform should be conducted under the proper set of circumstances.

The creation of the Department of Homeland Security accomplished a wide-sweeping reform of the nation's national security apparatus. The creation of such a reform, especially when contending with the opposition of a strong president, required a strong bipartisan approach in Congress combined with supportive public opinion. In the case of the Homeland Security Act, circumstances proved favorable to the reform effort.

3. Congressional reform legislation is more effective when expanding upon an existing executive order.

As explained above, the White House was opposed to legislation creating a Homeland Security Council or a Department of Homeland Security. However, Congress was aided in its reform attempt by the existence of a previous executive order creating the Homeland Security Council and the Office of Homeland Security. Congress was able to expand upon President Bush's executive order in the Homeland Security Act. The result was a successful attempt to supplant the White House-controlled OHS. Ironically, the promulgation of an executive order ended by limiting the power of the executive.

4. Politics, as much as the need to respond to a given set of problems, may determine the content and implementation of reforms.

The failure of the early attempts to form a Department of Homeland Security can be partially attributed to the political climate inside Congress. Both the GOP and Democrats in Congress wished to score political gains in the 2002 mid-term elections. On the one hand, the Republicans were hoping to gain greater leverage by regaining control of the Senate. On the other hand, the Democrats hoped to bring more attention to labor issues through the campaign season. If the two parties made a compromise regarding homeland security before the elections, neither party could have used the deadlock in Congress against the other.

CONCLUSIONS

Executive Branch

1. Presidential impetus is an important factor in determining the success or failure of a set of reforms.

The President of the United States, by nature, is the agent possessing the greatest ability to reform national security. The United States Constitution vested the president with numerous executive prerogatives allowing action independent of Congress. Most importantly, the president can issue executive orders affecting the operation of executive departments and agencies. These orders have the same force of the law as congressional statutes, can be issued immediately without the consent of Congress, and can be issued in secret. Throughout this study, numerous examples appear of presidents using executive orders to reform the national security structure. President Eisenhower issued an executive order creating the Operations Coordinating Board. President Kennedy subsequently issued an executive order abolishing that same NSC institution. President Ford issued an executive order relating to the conduct of intelligence operations in the United States as a way to stave off congressional reform. Conversely, President Reagan's executive order implementing the findings of the Packard Commission turned out to lend support to congressional reformers seeking to reorganize the Department of Defense. Despite the various ways that presidents use their authority when issuing executive orders, through this means they are nonetheless afforded considerable power over the operation of their executive departments and, consequently, over the nature of reforms to the national security system.

Presidential campaigns may also lead to reform of the national security system. Reform has been a key slogan in American politics since the election of Thomas Jefferson to the presidency in 1800. Presidential candidates often look to reform of the national security structure as a means to construct an appropriate response to perceived threats, both domestically and abroad. President Eisenhower criticized the management of the National Security Council by the Truman administration. His critique on the campaign trail led to the promulgation of internal NSC reforms immediately upon his arrival in the White House. President Kennedy subsequently criticized the Eisenhower administration for its "soft stance" against communist aggression, specifically in regard to Cuba. Kennedy blamed the rigid NSC structure as an obstacle to swift action that would prevent the Soviet Union from making inroads in the Americas. Similar to Eisenhower, one of Kennedy's first actions as president was NSC reform. President Carter, responding to a lack of trust in government after the Watergate scandal, made campaign promises to reform the national intelligence structure. Upon coming to Washington as president, Carter issued Executive Order 12306 as a foundation on which to overhaul the intelligence community. Raising reform as an issue in a presidential campaign increases the likelihood of success by placing reform on the national agenda and establishing a presidential priority.

Partially as a result of using presidential campaigns to spearhead reform, the president is never in a better position to begin internal or interdepartmental reform than at the beginning of a first term. Presidents Eisenhower, Kennedy, Carter, and the first President Bush all made major restructuring efforts when they initially came into office. When administrations change hands, a new president is able to create a managerial style and a culture of operation from the ground up. As the term progresses, the president becomes less able to alter even the internal structure of the

executive decision-making process. When President Clinton issued PDD-56 late in his first term, it failed to fundamentally alter the planning structure of the NSC. Even though an executive order marshals the full force of the law, the culture of national security planning and decision-making was so embedded in the administration that President Clinton was unable to implement his own reform.

Until this point, presidential impetus has been invoked as an explanation of the success or failure of executive reforms. However, it is equally true that presidential impetus is a main factor contributing to the success or failure of congressional attempts at national security reform. One way in which the president may influence congressional reform is through the power of the veto pen. Even when Congress transforms political compromise into legislative form, the president can single-handedly render any agreement moot. When Congress creates legislation that curbs the powers of the White House, a president will sometimes announce that he will veto any bill that contains such provisions. For example, President George W. Bush declared that he would veto any homeland security bill that did not give him flexibility in the federal employee hiring process. In addition to veto power, the president benefits from a wealth of political capital used to either support or attack congressional reform. At least somewhat due to a lack of presidential impetus, a comprehensive reform of the intelligence community in the form of S. 2525 failed to pass Congress during the 1970s. About a decade later, in 1986, the tacit support of President Reagan coming from his support of the Packard Commission served as a rallying point leading to the passage of the Goldwater-Nichols Act. Again in the early 1990s, a lack of presidential support contributed to the failure of intelligence reform bills introduced to Congress by Senators Specter and Boren. Most recently, President Bush used his political clout to convince Senator Specter not to introduce any amendments to the Homeland Security Act of

2002, ensuring the bill's passage before the end of the year. By exerting influence on the

legislative process, the president is able to extend the authority of the executive branch to either

support or oppose congressional attempts at reform.

2. The president's experience and management style shape executive reforms and the structure of entities under the president's purview.

The experience and managerial style of the president may impact attempted reforms,

especially those pertaining to the structure of the NSC. Presidents Kennedy and Clinton relied

on informal groups of advisors to make crucial decisions and, as a result, the content and

implementation of their reforms reflected this proclivity for informality. In the case of President

Kennedy, the informal nature of his NSC reforms almost certainly led to disaster in the Bay of

Pigs. Similarly, the informal nature of Clinton's managerial style prevented the implementation

of PDD-56, ultimately leading to the failure of the reform. In contrast, the formal and systematic

managerial styles of Presidents Eisenhower and George H.W. Bush were also reflected in their

NSC reforms. Eisenhower used his experience in the military to construct a rigid system of

policy formulation and implementation within the NSC. George H.W. Bush created similar

mechanisms under his presidency in order to conduct NSC policy formation and implementation

according to a style he had acquired during his long career in the national security field. Finally,

a president's managerial style fosters an operational culture that not only affects formal and

deliberate reforms, but also pervades the day-to-day management and decision-making of

executive entities. The organic nature of this embedded culture can lead to unintended and

sometimes harmful reforms. The Iran-Contra affair is an example of a president's managerial

style leading to reform even when it is not intended. Due to President Reagan's hands-off

leadership style, the NSC became a rogue agency within the White House and organically

became a policy implementing organization instead of a policy-making and recommendation board. Coupled with the ability of the chief executive to issue executive orders, managerial style and experience greatly impact the nature and success of internal NSC reforms.

3. Presidential commissions are much more effective vehicles for reform than congressional committees.

In the wake of a national tragedy or scandal, it has become customary to see the president appoint an independent bipartisan commission whose membership includes well-respected experts and politicians. Congress also has a history of forming investigative committees to determine what, if any, legislation needs to be passed to remedy the factors leading to the original event. Congressional committees also allow Congress to appear as though they are conducting an investigation free from executive influence. However, an analysis comparing the successful implementation of congressional recommendations versus those produced by presidential commissions reveals that presidential commissions affect much more change than congressional committees.

In the course of our research, we came across and examined several of these types of investigative bodies. The Rockefeller Commission, which investigated the CIA abuses of the 1970s; the Tower Commission, established after the Iran-Contra scandal came to light; and the 9/11 Commission were all president appointed commissions. By contrast, Congress created the Jackson subcommittees of the 1960's to examine the NSC structure, the Church Committee, which paralleled the Rockefeller Commission, and the Hamilton-Inouye Joint Committee to investigate Iran-Contra. The Tower Commission and the Hamilton-Inouye Joint Committee were both created within months of each other and were responding to the same scandal. However, all eight of the Tower Commission's recommendations were followed, and the

recommendations contained in the joint committee's report were virtually ignored. Likewise, the Church Committee investigated the same CIA abuses that the Rockefeller Commission did; yet, of the over 180 recommendations made by the Church Committee, only a few, most notably the creation of intelligence authorizing committees, were ever followed. By contrast, the Rockefeller commission had many of its recommendations implemented through executive orders. President Kennedy followed many of the recommendations coming out of the Senator Jackson's subcommittee, but the committee was also not competing with a parallel presidential commission. Although we do not explore it in our report, most recently, the 9/11 Commission has had virtually all of its recommendations that call for executive orders or congressional action implemented.

Three central reasons exist for the chasm between the two types of investigative bodies. First, presidential commissions are usually evenly split between the two major political parties and are independent from the White House. Not only are the members appointed from both political parties, but also the members are usually retirees or senior political servants who are greatly respected throughout the government and the country. It is important that the commission has no political agenda and be trusted by both the public and the policy makers to present impartial findings and recommendations that are not influenced by political concerns or the White House. Such political stature, partially supported by the stature of the executive office, lends an element of legitimacy to the work of an executive commission.

Second, presidential commissions are focused on one particular issue, are usually granted a set period of time to conclude their work, and publish findings in a timely manner. Congressional committees, however, are made up of legislators that have myriad other obligations to occupy their time. Committee hearings and interviews are often drawn out over

months and, in the process, lose much of the momentum and public attention that originally surrounded the issue. If a presidential commission parallels a congressional investigation, the commission will most likely complete its work first and gain the upper hand in implementing recommendations. For example, Congress formed the Hamilton-Inouye Joint Committee in January 1987 to investigate Iran-Contra, but the Tower Commission had already been operating for months and delivered its report to President Reagan just one month after the joint committee began its work. Congress did not publish the joint committee's findings and recommendations until nine months later on 18 November 2007, by which time the new NSC and White House leadership had implemented the Tower Commission's recommendations.

Third, executive commissions benefit from a close relationship to the chief executive, the person with the greatest potential for reforming the national security system. While a congressional committee may receive attention due to the importance of its task, the implementation of its recommendations necessarily occurs through a highly contested legislative process. In contrast, a presidential commission has immediate access to the president because of its association with the executive branch. The president appoints the members of the commission and authorizes them to conduct their work. As a result, once the commission produces recommendations, they are most likely implemented using presidential methods of reform: executive orders and informal reforms. Presidential methods of reform are more likely to succeed in their implementation because they are considerably less cumbersome than the corresponding legislative process. The implementation of recommendations made by executive commissions is more likely than those made by a congressional committee due to the nature of the subsequent reform process.

Legislative Branch

1. Broad congressional reform should be conducted under the proper set of circumstances.

In considering the efficacy of congressional legislation as a means of conducting national security reform, it is necessary to examine the conditions under which a given set of reforms may either thrive or perish. As the study deals largely with the process of reform instead of its substance, this conclusion presupposes that circumstance or environment may play a role in determining the success of a congressional reform attempt. The question left to answer is one about the proper context for reform. If congressional reforms to national security are to succeed, reformers must be capable of identifying workable scenarios for passing complex and comprehensive legislation. This study provides some insights into that process.

First, reform by legislative statute is not always necessary or appropriate. As mentioned above, there are various scenarios where executive orders or informal executive initiatives suffice to implement solutions to national security problems. In these cases, any attempt by Congress to enact comprehensive reform to the national security structure will be met with failure. Two broad considerations surround the decision to engage in the legislative process to enact comprehensive reform: need and proportionality.

On the one hand, expansive congressional reform should be attempted only if other, less demanding methods of reform will not achieve the desired result. A good example of this is found in Goldwater-Nichols. Reformers in Congress determined that the executive branch was both unwilling and unable to implement reforms in the Department of Defense. The executive was unwilling largely due to the objections to reorganization of the Secretary of Defense and the Joint Chiefs of Staff. The president was unable to implement the proper DoD reforms because

such reforms required legislation to alter the structure of an executive department. Conversely, the case of intelligence reform in the 1970s provides an example of a lack of need for far-reaching congressional reform legislation. Although some members of the Senate were convinced of the need for comprehensive national security reform in the form of S. 2525, executive orders by Presidents Ford and Carter, other informal executive reforms, and less comprehensive congressional legislation led to an alternate solution to the problems plaguing the intelligence community at the time. The question of need in these two cases is a fundamental one that has repercussions for the ultimate success of a reform attempt.

Once it is decided that legislation is needed to address critical issues in national security, reformers must apply a principle of proportionality in crafting a solution. In other words, the magnitude of a reform should be commensurate with the magnitude of the problem it seeks to resolve. Too often, this has not been the case. For instance, because of the expansive nature of the Church Committee inquiry, the legislation created to respond to the intelligence abuses during the Nixon administration expanded to encompass all facets of national security. Rather than seeking to respond only to the problems in the intelligence community, reformers in Congress advocated reforms that went beyond the scope of necessity. The result, in the case of S. 2525, was a failure to build consensus around the issue of comprehensive national security reform.

2. The nature of the political climate, both inside and outside of Congress, may have implications for the success or failure of congressional reform attempts.

An additional factor in determining the proper context for broad legislative reforms is the nature of the political climate. Even if reform is necessary and tailored properly to respond to a set of problems, it may still be the case that comprehensive reform will fail due to the politics

surrounding reform. Although the Homeland Security Act eventually passed, the reform effort was stalled immediately preceding the 2002 congressional elections because both political parties sought to benefit from the image of Congress as a divided and deadlocked body. Conversely, the Congressional Budget and Impoundment Control Act of 1974 provides an example of a favorable political climate in Congress. United against the Nixon administration at the height of the Watergate scandal, Congress succeeded in passing a bill meant to regain congressional control of the budget process through reform of the congressional budgeting system. The process of consensus building in this instance was considerably more straightforward than may otherwise have been the case.

The political environment outside of Congress may also become an issue for congressional attempts at reform. Specifically, bureaucratic resistance can play a large role in hampering the efficacy of congressional reform. For instance, bureaucratic resistance played a large role in the failure of the legislation coming out of the Tower Commission recommendations. Senator Specter introduced legislation in three different Congresses calling for the creation of a Director of National Intelligence separate from the CIA. However, President Bush, a former DCI himself, as well as Secretary of Defense Dick Cheney and DCI Gates, all spoke out against the bills calling for reform. This resistance by the executive branch contributed to the failure of the legislation in the Senate. Leaders in the executive branch were similarly opposed to the creation of a Department of Homeland Security in the Homeland Security Act of 2002. The considerable opposition of bureaucrats contributed in part to the ability of President Bush to exercise considerable sway over the legislative process, since opposition by executive stakeholders constituted a serious impediment to successful implementation of the new homeland security system.

The acknowledgement of political considerations both in Congress and in the executive branch leads to the need for a strategy to overcome entrenched opposition to congressional reform. If reformers in Congress are to succeed in the passage of comprehensive national security reform legislation, they must construct an equally comprehensive reform strategy. First, internal and external roadblocks to congressional reform must be identified early in the reform process. Second, strategies to defeat political opposition should integrate diverse groups of stakeholders, anticipate future political impediments, and consider the importance of proper timing. The Goldwater-Nichols legislation provides the perfect illustration of how such a strategy is constructed and executed. Reformers in Congress identified roadblocks to reform early in the process. It was widely known that many leaders in Congress were opposed to defense reorganization for the simple reason that they, and Congress as a whole, benefited from a fragmented structure in the Department of Defense. External to Congress, serious opposition emanated from the Joint Chiefs of Staff and the Secretary of Defense. Once reformers in Congress identified such opposition, they were able to implement a strategy to overcome it. Broadly described, congressional reformers integrated diverse groups of stakeholders by facilitating congressional debate in the form of committee hearings, reaching out to the executive branch by using Robert MacFarlane as a conduit to the president, and marshaling sympathetic forces in Congress to pressure opponents to reform in the Department of Defense. The reformers clearly anticipated future political impediments by "radicalizing" the Locher study in an attempt to build a platform for compromise and conciliation in later negotiations with opponents to reform. Finally, Senators Goldwater and Nunn were masters at political timing. Coinciding with the release of the Locher report, Goldwater and Nunn organized a retreat for pro-reorganization proponents to discuss the upcoming round of reforms. The result of such coordination was a

considerable boost in the stature of the reform effort. The effective implementation of such a reform strategy can serve to overcome even the most entrenched opposition to reform.

3. Congress can build on presidential executive orders by introducing parallel legislation.

Many times, the White House will attempt to bypass the statutory prerogative of Congress by addressing a perceived issue through executive order. Under these circumstances, if reformers within Congress believe statutory action is needed to reinforce an executive order, they can use the president's implicit endorsement of reform by executive order as reason to codify the order through parallel legislation. President Carter issued Executive Order 12306 on 26 January 1978 after consultation with the congressional intelligence committees. However, the rights confirmed by the act were felt by many in Congress to be too important to leave to the whim of the subsequent administration. Thus, building upon the recommendations of the Church Committee, Congress not only codified the provision of the order which required attorney general approval, but it created an entire secret court that would have to issue warrants before surveillance of citizens could take place.

Similarly, Senator Joseph Lieberman and others in Congress embraced President's Bush's creation of the Office of Homeland Security through executive order and were able to parlay that action with support of public opinion into passing legislation that created the Department of Homeland Security. President Bush was opposed to creating a separate department for months, but it was not feasible for him to threaten vetoing the legislation after he had inadvertently endorsed the need for a homeland security coordinating body when he issued the executive order. Public opinion saw the need for a new cabinet-level agency after Governor

Ridge refused to testify about how he would coordinate the new effort without statutory authority.

4. Congress can initiate reform that the White House can carry to fruition.

One of the best ways to ensure faster passage of a bill or to move it through a Capitol Hill logjam is to gain the attention of the White House. Raising awareness, both within the government and with the public, can give a much need boost to reform legislation.

On 11 October 2001, three days after President Bush created the Office of Homeland Security, Senator Lieberman introduced legislation creating a separate Department of Homeland Security. For eight months, the Bush administration publicly stated its opposition to the bill. However, constant congressional hearings on the matter produced volumes of testimony about the need for a separate cabinet position. Congressmen from both parties warmed to the idea and introduced multiple bills to create such an agency. In response to growing support from both Congress and the public, President Bush submitted his own plan for a new department in June 2002. By capitalizing on the president's initial endorsement of coordinating homeland security activities through his executive order, those on Capitol Hill were able to create a demand for a new independent cabinet authorized by Congress that the president could not ignore. Although the president used his political capital by having the GOP leadership shuttle the administration's bill, which created the department on the administration's terms, through the legislative process, Congress was still the impetus for the department's conception.

General Findings

1. The nature of the relationship between the executive and legislative branches can influence the content of reforms as well as the likelihood of their adoption.

A main theme of this study is the relationship between the executive and legislative branches as it relates to national security reform. In seven of the nine reform areas outlined above, the dynamic between the two branches of government played itself out in the reform process and ultimately influenced the outcome of the set of reforms. A realistic reform strategy must necessarily consider the relationship between the President and Congress if it is to incorporate all stakeholders into the reform process. Broadly, relationships between the two branches of government can be described as either cooperative or antagonistic. Of course, this is an over-simplification of what is necessarily a nuanced and complex relationship. However, with respect to any given attempt to reform the national security system, the simplified description of this relationship will yield valuable implications for reform practitioners.

A cooperative relationship between Congress and the executive can lead to a greater ability to formulate and implement reforms. President Kennedy collaborated closely with Senator Henry Jackson to formulate his NSC reforms. Kennedy worked with Jackson and a consultant to his subcommittee, Richard Neustadt, to understand the proper role and functioning of the NSC. Responding to Eisenhower's rigidly structured NSC, Jackson's subcommittee influenced Kennedy to implement reforms that would deinstitutionalize and humanize policy formulation and coordination. Also, under the Kennedy administration, Robert McNamara's reforms in the Department of Defense were accomplished largely due to a lack of congressional interference. Although McNamara alienated some members of Congress due to his brash management style, his reforms continued because he fostered cooperative relationships with key members of Congress.

As opposed to a cooperative relationship between the executive and legislative branches, an antagonistic relationship can lead to mixed results regarding the success of reforms. On the one hand, antagonism between the branches can create obstacles to reform. For example, one of the prime reasons for the failure of the legislation coming out of the Tower Commission was the antagonism exhibited toward that set of reforms by the executive branch. Both Secretary of Defense Dick Cheney and DCI Robert Gates opposed congressional reform. On the other hand, antagonism between the two branches may sometimes lead to more efficient implementation of reforms. For example, due largely to the antagonism between President Nixon and Congress in the early 1970s, congressional budget reformers succeeded in passing the Congressional Budget and Impoundment Control Act. In this case, a cold relationship between the two branches led Congress to unite against the executive in an attempt to implement important reforms.

It is significant to note that the two most comprehensive legislative reforms studied above, the Goldwater-Nichols Act and the Homeland Security Act, both exhibited mixed records when it came to relations between Congress and the executive branch. During the buildup to Goldwater-Nichols, the Department of Defense was mostly antagonistic toward reform while President Reagan remained aloof and uncommitted either way. However, as the process progressed, congressional leaders succeeded in winning over important stakeholders in the executive branch. Defense Secretary Weinberger acquiesced in his opposition to reorganization while President Reagan tacitly supported reform through his endorsement of the Packard Commission report. These turns in fortune ultimately led to the passage of the Goldwater-Nichols Act. A similar process occurred during the formulation of the Homeland Security Act in 2002. In the beginning of reform discussions, President Bush and the executive branch were staunchly against the formation of a Department of Homeland Security. However, once they

realized that resistance to such an idea was useless, the administration changed stances and worked with Congress to shape the content of the legislation. In both of these cases, the relationship between the executive and Congress played a role in the implementation of reform. Implicit in this idea is the notion that ensuring cooperation between the branches requires a political process of either consensus building or steamrolling the opposition.

2. In the case of internal or informal reforms, external conditions must foster a reform environment.

Perhaps the largest impediment to intradepartmental or intra-agency reform is the threat of outside interference. In order for a leader of reform to operate efficiently in a departmental environment, external interference must be minimized. This allows for consensus building to occur only within the department or agency being reformed, rather than outside as well.

Neutralizing an external environment consists of two steps. First, a prerequisite legal framework must accompany internal and informal reforms. Essentially, this legal framework must exist prior to the reform attempt to enable reformers inside the department or agency to initiate a process of reform. Without the proper authority to reform the system, internal reforms will not occur. The McNamara Department of Defense reforms in the early 1960s are the most informative example. Prior to McNamara coming to Washington, the Department of Defense Reorganization Act of 1958 considerably strengthened the position of Secretary of Defense. This Act centralized decision-making authority with the Secretary of Defense, giving McNamara the authority he required to make changes to the DoD planning and budgeting systems. A similar process occurred implicitly with the creation of the National Security Act of 1947. Since the Act created the National Security Council as an advisory body to the president, it implied that the president should have the authority to reorganize his NSC as he wishes. Without this

provision, the Act would have required legislation to modify the NSC structure, eliminating every informal presidential restructuring of the NSC since 1947.

The second step in neutralizing external conditions deals with neutralizing the political environment surrounding reform.   In the case of internal reform, proponents of reform within a department or agency must be as politically untouchable as possible to ensure effective implementation. In the McNamara case already discussed above, this occurred largely due to the efforts of President Kennedy and McNamara himself to court key players in Congress. Due to their successful attempt to stave off congressional criticism, McNamara was able to implement PPBS within the Department of Defense without worrying about outside attacks. In the case of all internal reforms, whether dealing with the NSC, the DoD, or another department or agency, the president should ensure that those people responsible for carrying out reform are protected from outside interference.

3. Scandal or crisis may play a role in determining the outcome of a reform attempt.

When major scandals or disasters strike the country, both the legislative and executive branches are likely to respond. Over the last fifty years, three major events contributed to major reforms at the behest of both Congress and the president: the Watergate scandal, the Iran-Contra Affair, and 9/11.

The Watergate scandal, including its associated fiscal abuses, led to two major sets of reforms studied above. First, due to President Nixon's abuse of the impoundment privilege, Congress passed the Congressional Budget and Impoundment Control Act of 1974. In this case, scandal and crisis served as catalysts for reform by uniting the Congress against the abuses of the

executive branch. Similarly, abuses by the intelligence community under the Nixon administration led to a series of reforms to the intelligence community during the 1970s.

The Iran-Contra Affair also contributed to a frenzy of reforms, encompassing reforms to the NSC structure and to the intelligence community. Responding to covert and illegal operations conducted under the Reagan Administration, the Tower Commission report produced recommendations on the organization of the national security system in the United States. Scandal in this case led to a number of informal reforms as well as a failed attempt to enact reform legislation.

Finally, the attacks of 11 September 2001 constitute the grandest crisis of the post-Cold War era. Not only did the events of 9/11 lead to two foreign wars and a "global war on terror," but also to the creation of an influential presidential commission and two pieces of significant reform legislation. In this study, an analysis of the process leading to the passage of the Homeland Security Act provides an insight into the effect of crisis on the need for national security reform.

The question left to contemporary reformers is the following: can major beneficial change to the national security system occur without scandal or crisis providing a need for reform? If the national security apparatus of the United States is to be brought into the 21st century to face post-Cold War threats, reform must be accomplished before the next crisis. As the events of September 11 demonstrate, a failure to integrate the elements of national security decision-making carries disastrous consequences.

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APPENDIX

Reform List and Categorization

Reform	Topic	Target and Type	Implementation
1. 1953 Creation of the NSC Planning Board (Eisenhower's "policy hill")	NSC Operation	Internal NSC Reforms	Executive Order Informal Reforms
2. 1960-61 Jackson Subcommittee/Kennedy NSC Reforms	NSC Operation	Internal NSC Reforms	Executive Order Informal Reforms
3. 1961 Reforms of DoD Planning and Budgeting	DoD Budget	Internal DoD Reforms	Informal Reforms
4. 1970s Intelligence Reforms	Intelligence	Comprehensive Congressional/NSC Reforms	Legislation Failed Legislation Executive Order
5. 1970s Congressional Budget Reforms	Congressional Budget Process	Comprehensive Congressional Reforms	Legislation Failed Legislation
6. 1986 Goldwater-Nichols Legislative Reforms	DoD Operation	Internal DoD Reforms	Legislation Informal Reforms
7. 1987 Tower Commission, Scowcroft NSC Reforms, and 1991 Intelligence Reform Legislation	Intelligence NSC Operation	Comprehensive Congressional/NSC Reforms	Failed Legislation Executive Order Informal Reforms
8. 1997 Clinton PDD-56 Process	NSC Operation	Internal NSC Reforms	Executive Order
9. 2002 Homeland Security Reforms	Homeland Security	Comprehensive Congressional/ Executive Reforms	Legislation Failed Legislation Informal Reforms