Reforming American Power: Civilian National Security Institutions in the Early Cold War and Beyond

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I. INTRODUCTION

An article in *Foreign Affairs* on the need for a major reform of the American national security system argued that

Recommendations for fundamental reforms in the organization and administration of foreign affairs have been made by high-level committees and task forces on the average of every two years since World War II. Despite the near unanimity of diagnosis, little has been done to deal with the serious problems uncovered; they are still with us, unsolved and debilitating…The advent of a new Administration, both popular and Congressional disenchantment with the results of America’s involvement in the world over the last two decades, and the growing sentiment that we must put our domestic house in order as a matter of first priority, all suggest that the country can no longer afford the inefficiencies which too often have characterized its foreign programs in an era of rising budget curves.¹

The article was published in January 1969. If nothing else, the fact that it could just as easily appear in the January 2016 issue of *Foreign Affairs* serves as a reminder that lamentations over the alleged inadequacies and dysfunctions of America’s national security institutions are nothing new. Similar articles and studies could be cited from just about every decade from the 1940s up to the present day. The Protestant Reformers of the sixteenth century adopted the motto *ecclesia semper reformanda est* (“the church is always to be reformed”); perhaps its modern American national security counterpart is “the government is always to be reformed.”
However, if dissatisfaction with government and demands for reform are virtual constants, substantial actions for reform are merely episodic. This chapter will examine the most consequential and paradigmatic period of institutional reform in modern American history, amidst tremendous international flux: the end of World War II and beginning of the Cold War. To explore the questions of continuity and discontinuity in reform efforts, it will also look briefly at two other periods, the end of the Cold War and the era following the September 11, 2001 attacks. These eras are chosen not because they are exhaustive of reform efforts, but because they provide interesting case studies and disproportionately influential reform efforts that took place amidst considerable geopolitical ferment.

There are few topics more soporific than bureaucratic process and organization, and if that is all this chapter explores than it has little basis, or even hope, to claim the reader’s time and interest. But bureaucratic organization is merely the surface issue. The deeper questions animating this study are what is the nature of power and how does the American government wield it? The exercise of power for the purpose of national interests lies at the heart of how national security institutions are constituted and organized, and their effectiveness should be judged by this standard. How an American president imposes his will on his own government and directs the power of his nation in the international arena are some of the most persistent challenges and defining aspects of any presidency.

Yet even here the historian encounters a paradox. In national security terms, some of the most consequential and arguably effective American presidents of the modern era, such as Franklin D. Roosevelt, Richard Nixon, and Ronald Reagan, all presided over administrations whose national security organization and processes were at best less than ideal, and at worst downright chaotic and dysfunctional. Despite these organizational inadequacies and failures—or possibly because of them?—these three presidents were still able to wield their power and implement their foreign policies effectively, and all left substantial legacies. Scholars continue to debate the reasons for the peculiar successes of these administrations, a question that is beyond the scope of this paper but likely involves some combination of presidential personality, ideology,
force of will, the presence of a small number of highly capable lieutenants, and the elusive tides of history. Nor should one disregard the counterfactual that these presidencies might have been even more effective had they created a well-organized national security interagency system.

Nevertheless, two modest assumptions inform the purposes of this chapter. First, that the repeated, almost perpetual efforts to reform and improve American national security institutions reveals a general consensus among national security professionals that an organized and well-crafted system is a desirable goal. Second, that an organized and well-crafted set of national security institutions are a help to effective national security policy. With them, poor policies can be avoided or mitigated, and wise policies can be created and implemented. Without them, the consequences of poor policies have the potential for greater damage, and the benefits of wise policies have less opportunity to be realized. Perhaps Sen. Henry “Scoop” Jackson said it best in 1961 when he concluded his Subcommittee on National Policy Machinery’s two year review of the US government’s national security system: “Good national security policy requires both good policymakers and good policy machinery. But organizational changes cannot solve problems which are not really due to organizational weaknesses. More often than not, poor decisions are traceable not to machinery but to people.”

This chapter will not attempt an exhaustive and comprehensive assessment of every aspect of national security institutional reform during the periods in question—a subject that alone merits an entire book or even series of books. Rather it will distill and highlight particular episodes or themes that are judged to be especially revelatory and potentially relevant for today’s context. The National Security Council will receive a special measure of attention, as it is the institutional epicenter for the wielding of national power and often illustrative of broader reform efforts across government.

The following points summarize the main conclusions that emanate from this historical survey:

- Significant reforms most often result from a major shock, such as a surprise attack or a scandal. These shocks have a catalytic effect in revealing inadequacies in prevailing
institutions, and generating sufficient political will to force major changes on entrenched bureaucratic interests.

• Major reforms usually have multiple authors and multiple constituencies. In the short term this makes for a messier process, but in the long term it makes reforms more sustainable because permitting multiple authors up front often creates multiple stakeholders at the end. The primary authors of reform can include Congress, expert commissions, eminent leaders, and the departments and agencies of the Executive branch itself.

• The inflection points considered in this paper all occurred during times of crisis yet also times of relative US power ascendance, rather than austerity and decline. This is not determinative, but at least suggestive that the times of crisis and ascendance may have a more catalytic effect on institutional reform efforts, whereas times of stagnation and decline may stifle institutional reform efforts and instead produce a cautious, status quo, even bunker mentality. Yet some of the insights drawn from successful reform efforts during times of power ascendance can also apply to reform efforts when a nation is not internationally ascendant. International change (whether ascendance or decline) seems to be the most important geopolitical factor spurring reform. In turn, successful institutional reforms can take place during times of international ascendance, stagnation, or decline.

• Institutional reforms occur in real time, in the context of unfolding global events, and these events further shape the reform trajectory.

• The reform of US national security institutions is best considered as an ongoing, episodic process rather than a series of discrete outcomes.

• Unintended consequences. Reforms often evolve and function in ways different than their architects originally intended, and with sometimes ironic outcomes and consequences.

• Institutional structure is often secondary to individual will. Each president and his senior team ultimately seek to bend the institutions of government to their particular purposes, no matter how well or how ill-suited those institutions might be.
II. 1942–50: EXPANDING “NATIONAL SECURITY” AT THE OUTSET OF THE COLD WAR

Japan’s attack on the American fleet at Pearl Harbor on December 7, 1941 brought the United States into World War II, and brought in a new paradigm of national security institutions. The strategic shock of Pearl Harbor revealed not only an intelligence failure but also wholesale inadequacies in the ways that the American government was organized to wield power and protect its interests. Even as the US mobilized to fight the war, some American leaders began thinking about how their government should be reorganized not just for the war effort but especially for the post-war world. In hindsight, three challenges loomed especially large. These included resolving what might be called the “Roosevelt Problem” of a strong presidential personality and weak institutional system; devising an institutional mechanism to coordinate political and military affairs; and equipping the United States to exercise all elements of national power in its new role as guarantor of global security. Numerous other nettlesome organizational issues also preoccupied policymakers, such as the relationship between the Army and the Navy, and the creation and organization of a permanent intelligence agency. Undergirding all of these issues was an emerging geopolitical and existential reality: the United States was entering a new era, historically without precedent, as a global superpower with permanent international commitments. To be fit for its new role, the American government needed not merely to reform but to fundamentally reinvent itself.

At the center of this stood the beguiling figure of President Franklin Delano Roosevelt. The Roosevelt White House is pivotal in many ways; he stands simultaneously as the last president of the pre-modern era and the first president of the modern era. He strengthened the presidency in many enduring ways, including through pioneering mass communication techniques, overseeing a massive expansion in the size and scope of the federal government and federal power, and leading the United States to becoming the world’s dominant military power. Yet he was also the last president to govern during a time when the United States had a relatively weak standing military and no alliances or permanent international commitments, with a small White House staff, and without a national security bureaucracy as an instrument through which
he could wield presidential power. Despite these latter limitations—or perhaps even because of them, as scholars such as Matthew Dickinson have argued—Roosevelt masterfully oversaw the integration of political and military power during America’s participation in the Allied victory in World War II.4

The “Roosevelt Problem” that resulted, of course, was the near impossibility of maintaining this system without a uniquely-gifted and crafty president such as Roosevelt. Moreover, even some of Roosevelt’s biggest supporters quietly shared the concerns of his most vociferous critics that under him the presidency risked being more about the man than the institution—it had become the “imperial presidency” in Arthur Schlesinger Jr’s famous formulation.5 In Dickinson’s description, “despite the successful Allied military collaboration, many of those who worked most closely with FDR thought his administrative system poorly suited for the postwar era.”6 Wilson Miscamble’s nuanced study of the transition from Roosevelt to Truman renders the verdict thus: “Roosevelt’s personalization of his office and of American foreign policy made his juggler’s act an especially difficult one to follow. Truman possessed none of his predecessor’s nimbleness, nor did he desire to be such a solo or dominating performer. Roosevelt’s death therefore immediately and inevitably prompted a major change in the way in which foreign policy was formulated.”7 Hence the problem: how to maintain the institutional strength of the presidency without leaving it susceptible to potential demagoguery from future aspirants, or hindering the effectiveness of subsequent presidents who lacked Roosevelt’s singular wiles?

World War II also revealed a second challenge that was at once as old as warfare itself yet also novel to an American government accustomed to separating military and political matters: how to ensure coordination of political and military means and ends? In 1955 Earnest May observed that “long years of isolated safety smothered the idea of political-military collaboration” throughout American history. The ordeal of World War II and the dawn of the Cold War and the nuclear age changed this. “Not before the 1940s would the majority of Americans have endorsed the rationale that underlies the National Security Council.” But now, “living in a world
as sensitive as a can of nitroglycerin, Americans accept the need for exact weighing of political and military factors before each policy decision.” This change in strategic philosophy also needed a corresponding change in institutions, to ensure the integration of political and military considerations.

The third challenge perhaps loomed largest. It was not just a matter of coordinating political and military action, but of equipping the United States to play an unprecedented role on the global stage, in an era when the nature of power itself became more multi-dimensional. This meant expanding the very meaning of “national security” and the concept of national power. No longer would “national security” mean only the military defense of the nation’s borders, and no longer would national power be regarded merely as the strength of arms.

While the needs described above may appear clear in hindsight, the actual motives and mechanisms for the creation of these new national security institutions varied greatly at the time. Each actor brought a set of parochial concerns and motives. The Army and Navy each sought jealously to guard their traditional prerogatives (and in the Navy’s case its independence); Congress sought to assert its authority; the White House sought to protect its executive role; numerous other strategists and statesmen injected their convictions and concerns. Expert commissions and study bodies such as the Eberstadt Report and the Joint Committee Hearings on the Investigation of the Pearl Harbor Attack injected additional ideas into the process, as well as serving as proxies for other agendas. Looming over all of this were the acute existential concerns — held not just by average citizens and editorial boards, but also by some of the nation’s most influential political leaders — that the United States not become a “garrison state” of stifling federal power, bureaucracy, and militarism.

All of this occurred in the crucible of global crisis. The various efforts to research, debate, and draft legislation creating the new institutions of national security did not enjoy a sabbatical repose from history. Rather they took place as new threats loomed and demands for American leadership and intervention grew louder around the world. Just months after the final surrenders of World War II had been signed, and as most Americans hoped for nothing but demobilization
and a return to peace and prosperity, the fragile world order appeared to crumble anew before it had even been rebuilt. Civil war resumed in China as the Communists renewed their campaign to defeat the Nationalists. Stalin appeared to press for more Soviet control in places like Iran and Eastern Europe. In late February 1946, George Kennan sent his “long telegram” from Moscow seeking to disabuse official Washington of any naïve hopes for a conciliatory relationship with the USSR. Two weeks later, Winston Churchill visited Fulton, Missouri and warned that “from Stettin in the Baltic to Trieste in the Adriatic an iron curtain has descended across the Continent.” As the year went on, communist insurgencies grew in Greece and Turkey, and by the end of 1946 a severe winter had descended on western Europe that threatened millions with starvation in the still war-torn land.

Even as it engaged in negotiations on multiple fronts over the provisions of what would become the National Security Act, the Truman Administration was designing and launching some remarkably ambitious initiatives that would define the Cold War and permanently transform American national security policy. These included President Truman’s landmark address to Congress on March 12, 1947 inaugurating the Truman Doctrine and calling for American support against communist insurgencies in Greece and Turkey, and the June 5, 1947 Harvard commencement address by Secretary of State George Marshall announcing what would become the Marshall Plan of massive aid for reconstructing Europe. Both serve reminder that the reform of national security institutions takes place not only amidst the tumult of world events but also amidst the ongoing conduct of statecraft. No analogy can fully capture the complexities of this situation in the years 1946 and 1947, but it is as if the Truman Administration was hurtling down a highway in a bus that was still being assembled while its passengers squabbled, as the highway itself was being paved, amidst a simultaneous earthquake that shifted the ground underneath while a thunderstorm darkened the skies overhead. What may appear in the hindsight of history as a smooth process with a clear outcome was anything but at the time. Yet as important as these international challenges were in shaping the environment in which
America’s national security institutions were created, this context is curiously absent from most of the academic literature on the National Security Act.¹⁰

The acute sense of crisis that beset these years should not obscure an equally important fact: at the time the United States stood at the zenith of its international power and influence. Indeed these immediate postwar years may mark the relative high point of American geopolitical power at any point in history before or since. At the end of 1945, the United States alone produced about half of all global economic output, possessed the world’s most dominant military with a global reach, and would enjoy a monopoly on atomic weapons until the end of the decade. This hard power leverage translated into substantial soft power as well (the concept existed at the time even if the term itself would not be popularized for another half century), which the US mobilized in leading the construction of the postwar international economic and political order through new institutions such as the United Nations, World Bank, and International Monetary Fund.

Amidst this peculiar combination of strength and vulnerability, America’s leaders realized the need to reform, even create, new institutions designed to wield power effectively. The puzzle had one additional dimension: the relative weakness of the office of the presidency. Ironically, while governing the most powerful nation in the world, the president of the United States faced considerable constraints on his power, including the checks and balances provided by Congress and the judiciary, federalism’s decentralization of power to the states, and the federal bureaucracy’s resistance to presidential direction. How could the American president be better equipped to wield national power in this new world, while maintaining constitutional fidelity?

The specific provisions of institutional reform exemplified by the National Security Act did not arise *ex nihilo*, but reflected ideas and predecessor institutions that had existed for years, even decades, before. Ernest May credits Assistant Secretary of the Navy Franklin D. Roosevelt with first suggesting the concept of a National Security Council in 1919 when he wrote to the Secretary of State proposing a “Joint Plan Making Body” comprised of senior officials from the Departments of War, Navy, and State. In a historical episode replete with irony, Roosevelt’s
letter appears to have been misrouted to the Latin American Affairs division and was never read or even opened by the Secretary of State. Thus a clerical error may have prevented the young Roosevelt’s idea from coming to fruition, and in turn may have spared what became his institution-averse presidency two decades later from having to deal with a coordinating body that hindered the president’s flexibility.\textsuperscript{11} The eve and then advent of World War II did produce some efforts at coordination. In 1938, Roosevelt agreed to the proposal of his Secretary of State Cordell Hull for the creation of the Standing Liaison Committee comprised of the Under Secretary of State, the Army Chief of Staff, and the Chief of Naval Operations. Once the war began, the informal yet regular meetings of the leaders of the relevant departments eventually became institutionalized in 1945 in the creation of the State, War, Navy Coordinating Committee (SWNCC).\textsuperscript{12} The SWNCC impressed new President Harry Truman with its smooth functioning at the Potsdam conference in 1945, and laid the foundation for his eventual support for the creation of the NSC.\textsuperscript{13} Another important actor emerged towards the war’s end in the person of Navy Secretary James Forrestal, whose diary entry of November 23, 1944 noted “I talked with Harry Hopkins tonight about the necessity for creating something similar to the Joint Chiefs of Staff on the civilian side of the American government. I said I felt that if we did not create something similar to the British system for coordinated and focused government action we should not be able to deal with the problems and relationships arising during the postwar period.”\textsuperscript{14}

Meanwhile, these efforts at executive branch policy coordination took place amidst growing calls in some quarters for more military unification. Representatives of the Army often led these efforts, exemplified by General George C. Marshall’s development of an ambitious plan towards the end of World War II for unification of the military services under one combined branch. In this Marshall found a supporter in Truman, especially once the latter assumed the presidency in 1945. Not that these sentiments were entirely new to Truman. A few months earlier as the vice presidential nominee he had penned an article in \textit{Collier’s} magazine titled “Our Armed Forces Must Be Unified.” Truman wrote that “proof that a divine Providence watches
over the United States is furnished by the fact that we have managed to escape disaster even though our scrambled military set-up has been an open invitation to catastrophe.” He then called for “the integration of every element of America’s defense in one department under one authoritative, responsible head.”

Ironically, these two needs—for military unification and for greater executive branch policy coordination—may have complemented each other in Truman’s mind, but they became competing demands in the hands of adversaries contending over how to reform American national security institutions. Even though the focus of this paper is on reform of civilian institutions, the eventual outcome of civilian institutions cannot be understood apart from contests over military institutions. Thus in 1945 as Navy Secretary Forrestal observed with alarm what appeared to be a growing political consensus for unifying the Army and Navy (a prospect anathema to the Navy, which feared that unification effectively meant subordination to the dominant Army), he attempted the diversionary maneuver of commissioning an expert report. For this Forrestal chose his longtime friend and collaborator Ferdinand Eberstadt, a New York investment banker who had helped lead the military’s industrial policy during World War II. In June, 1945, Forrestal requested that Eberstadt produce a study on the questions of military unification and executive organization for the postwar period. Three months later Eberstadt and his team delivered and widely disseminated their conclusions. Aside from its predictable recommendation against unification of the Army and Navy, the Eberstadt Report also urged the creation of a National Security Council “to afford a permanent vehicle for maintaining active, close, and continuous contact between the departments and agencies of our Government responsible, respectively, for our foreign and military policies and their implementation.” Crucially, the report added the caveat that the NSC “would be a policy-forming and advisory, not an executive, body.” This last point anticipated a recurring tension over the role and responsibilities of the NSC.

The vast majority of political energy and contention on all sides was devoted to the titanic struggle over the structure and organization of the US military. Those few figures who did pay any attention to the proposed NSC were concerned to keep it institutionally weak and thus
unable to challenge the prerogatives of the President or the responsibilities of the State Department for conducting diplomacy. Much of this centered on defining the NSC’s responsibilities to be merely “advisory” and not “executive”; in other words, the NSC would not have any decision-making authority. For example, early in 1947 Secretary of State Marshall wrote to Truman of his concerns that the proposed NSC would undermine both the authority of the State Department and the presidency, complaining that it was a “critical departure from the traditional method of formulating and conducting foreign policy” and that it would “dissipate the constitutional responsibility of the president for the conduct of foreign affairs.”

Mindful of such fears, during the Senate debate on the National Security Act, Senators Leverett Saltonstall (R-MA) and Raymond Baldwin (R-CT) engaged in a revealing colloquy. Saltonstall asked of Baldwin “Does the Senator agree with me when I say that the purpose of creating the National Security Council is not to set up a new function of government with extraordinary powers, but solely to provide an organization to give advice to the President . . . ?” To which Baldwin replied “I agree wholeheartedly…it is not essentially an administrative agency. It is an advisory council.”

The inordinate amount of attention devoted to the military unification provisions of the National Security Act and the comparative neglect of its provisions creating the National Security Council and the Central Intelligence Agency reveal one of the ironic themes of institutional reform: sometimes what become the most significant developments are little-noticed or appreciated when they occur. If the NSC received little attention during the negotiations over the Act, what became the CIA received even less. The creation of the CIA came out of a rough consensus on the need for some manner of coordination of intelligence, but little appetite for the creation of a strong new intelligence organization, especially since each service branch and the State Department all sought jealously to preserve control over their own respective intelligence units (each one relatively weak already). In Amy Zegart’s description, “the original CIA was never supposed to engage in spying. It was never supposed to sponsor coups, influence foreign elections, or conduct any other kind of subversive operations. It was never
supposed to be more than an analysis unit... To put it plainly, the CIA was supposed to be weak.” Moreover, “its provision in the National Security Act was among the least noticed and least debated of all.” In sum, according to the statute a weak NSC oversaw an even weaker CIA.

On July 26, 1947, Congress passed the National Security Act. In addition to establishing the Department of Defense, NSC, and CIA, it also created a “National Security Resources Board” to advise the president on the mobilization of domestic resources for national security needs. Truman signed the bill at the airport while preparing to fly home to Missouri to visit his ailing mother, who died that same day. In his diary entry that evening Truman described the Act merely as the “Unification bill,” revealing his belief at the time that the law’s main significance lay in its provisions bringing the service branches closer together under the newly created office of the Secretary of Defense. Overall, Douglas Stuart’s verdict on the Act is apt: “No one really understood what had been agreed upon on July 26, 1947. The legislation had established a new institution to assist the president in the coordination of foreign and defense policy, but it was up to the president to decide how to use it, or whether to use it at all.”

Two weeks after the law’s passage, George Kennan took up these questions. In his new capacity as the inaugural Director of the State Department’s Policy Planning Staff, Kennan wrote a memo to Truman titled “Suggestions Regarding the National Security Council and the National Security Resources Board.” Reassuring Truman that the creation of these bodies “has in no way either increased the President’s authority or decreased his responsibility,” Kennan stressed the merely advisory nature of the NSC and said it “should in no sense restrict or circumscribe [Truman’s] freedom to reach a ‘Presidential position’.” Instead Kennan surmised that the NSC would be most effective “if the President refrained from attending the majority of Council meetings. This would assure the advisory nature of the Council’s actions and guard against its becoming an operating body.” Instead Kennan suggested, no doubt with Marshall’s approval, that the Secretary of State serve as chair of the NSC meetings. Accurately anticipating what lay
ahead, Kennan noted the uncertain relationship between the NSC and the rest of the Cabinet, which “must be worked out on an evolutionary, trial-and-error basis.”

Kennan’s memo also highlighted the expanding nature of national power and its ramifications for the concept of national security.

In appraising the recommendations of the Council, however, the President will need to assess political capabilities, financial capabilities, and consider security objectives in the light of other objectives. The subject of the national security, broadly viewed, is a matter of concern to all the departments of the Government. But the inclusion on the Council of all Cabinet members who have an interest in national security would actually entail recreating the full Cabinet.

American national power was no longer merely synonymous with its military and economic resources. And national security was no longer confined merely to the military’s defense against aggressors. Rather, national power comprised all of the resources of the nation, material and ideational, natural and manufactured, coercive and seductive, that would be developed and employed on behalf of national security. National security, in turn, meant not just defending the nation’s borders but protecting the values and identity of the United States, what came to be known as the “American way of life.” The emerging global contest with the Soviet Union encompassed all of these dimensions of power and security: economic, diplomatic, ideological, and military. It only followed that every cabinet secretary would have an interest in it. The law itself sought, however imperfectly, to establish this concept, stating that the function of the NSC “shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security.”

Truman appears initially to have agreed with Kennan’s advice against attending many NSC meetings. The President chaired the inaugural NSC meeting two months later on September 26, 1947. At the meeting Truman reminded all present that “the Act establishes this Council purely as an advisory body, with no policy-making or supervisory functions except in its direction of the Central Intelligence Agency.” Or as Secretary of Defense Forrestal put it more...
pungently in his diary, “the President indicated that he regarded it as his council, and that he expected everyone to work harmoniously without any manifestations of prima donna qualities.” Truman also announced that he intended only “to sit with the Council on an average of once every month.” In asserting these terms, Truman should not be misunderstood as not valuing the NSC. Yes, he was wary of its potential dilution of his executive authority, but at the same time his deliberate absence from most NSC meetings by no means deprived him of the utility of the NSC. He would still benefit from the results of its deliberations as options and decisions developed at NSC meetings were presented to him—perhaps even more so than if he were present, since his valuable time was spared and his national security team would be able to deliberate freely without his presence potentially coloring their debates.

His stated intention to attend once a month notwithstanding, Truman attended no other NSC meetings thereafter for almost a year. In Truman’s stead and at his direction, Secretary of State Marshall served as chairman, or if Marshall were absent then Secretary of Defense Forrestal filled the chair. This changed the next year with the first of what would become several Berlin crises during the Cold War: the Soviet Union’s blockade of West Berlin. Following the June 27, 1948 termination by the Soviets of all rail and road traffic to West Berlin, the American commander Gen. Lucius Clay immediately launched an airlift to resupply the isolated city. The NSC first took up the case of Berlin at its July 15 meeting, and began working on a strategy for the growing crisis beyond the immediate tactical necessity of air supply. Truman began a more active involvement with the NSC, chairing three of the next five NSC meetings from July to September. His participation in these meetings is all the more remarkable considering that he was also consumed by campaign travel in the closing months of one of the most fiercely contested presidential elections in American history, when November would bring his narrow victory in the famed “Dewey Defeats Truman” race.

The Berlin Airlift became a pivotal episode in the evolution of the NSC, more so than has been appreciated by most scholarship. It catalyzed Truman’s reengagement in chairing meetings, required deft political and military coordination such as the decision to deploy atomic-
capable B-29 bombers to England as a show of political resolve, and represented the integration of several elements of national power: the military’s airlift capability, economic resources in the provision of food, diplomacy in the delicate signaling of firmness without escalation, and an ideological offensive displaying the American commitment to defend free societies as well as the propaganda value of displaying Soviet malevolence to the world. This comprehensive view of national security and national power was also reflected in the range of tools being used in the emerging Cold War, such as the Truman Doctrine’s provision of aid to anticommunist forces in Greece and Turkey, and the Marshall Plan’s massive support for the reconstruction of Europe—an economic program with a substantial political impact.

Douglas Stuart has called the National Security Act “the second most important piece of legislation in modern American history—surpassed only by the 1964 Civil Rights Act.” But as landmark as it was, what is striking in hindsight is how little of the National Security Act’s original provisions survived intact within the first few years after its passage. This illustrates an important reality about institutional reform. It occurs more in periods than moments, in windows of years before and after the passage of new measures. In the case of the National Security Act, almost as soon as it became law it began to change. Several factors drove these changes, factors that would recur over time as the primary drivers of institutional reform. These included the external demands of geopolitics, the internal demands of Congress, the input of expert commissions, the continued bureaucratic maneuvering of military and civilian national security officials, and the executive branch’s own ongoing assessments of what did and did not work. Undergirding all of these factors were the needs of the president for institutions he could wield effectively as instruments of comprehensive national power.

Truman made some of the changes unilaterally, such as when he expanded the membership of the NSC in late 1948 to include regular participation by the Treasury Department, as well as occasional participation by the Commerce Department and the Attorney General. This inclusion of officials responsible for the nation’s economic and legal policies further institutionalized an expanding view of national power. Other changes were prompted in
1949 by outside reviews, principally the Commission on Organization of the Executive Branch of Government headed by former president Herbert Hoover, with a subcommittee headed by Ferdinand Eberstadt. Taken together, the findings of the second Eberstadt Report, the Hoover Commission, input from the Truman Administration, and strong opinions of leading members of Congress all led to the passage in 1949 of a substantial package of amendments to the National Security Act. The most meaningful effect shifted more power from the military services to other civilian national security leaders, exemplified by the statutory elimination of the three service secretaries (Army, Navy, Air Force) from NSC membership and the addition of the Vice President. The previously limited authority of the Secretary of Defense was also expanded, as the erstwhile National Military Establishment became the Department of Defense.

The understanding of national power to include intelligence and ideological warfare led to further institutional changes. In January 1949, another expert commission on intelligence led by Allen Dulles, William Jackson, and Mathias Correa produced an exhaustive study recommending increasing the authority and activities of the CIA. The Truman Administration implemented some of these changes under the existing, ambiguous language of the 1947 Act, while Congress institutionalized other provisions with the passage of the 1949 Central Intelligence Act. Individual leadership made a difference as well, as the ambitious Walter Bedell Smith replaced the ineffective Roscoe Hillenkoetter at the helm of the CIA, increasing its influence and operations.31 The escalating contest of ideas with communism led to an expansion of the NSC’s role in ideological warfare. This had been a concern from the beginning. One of Secretary of Defense Forrestal’s earliest memos to the NSC in 1948 urged “that our foreign information activities be effectively developed and that they be coordinated with the other phases of our foreign and military policies.” The Truman Administration’s efforts in this regard led in 1951 to the creation of the Psychological Strategy Board under the NSC, with its own full-time staff overseen by interagency representatives of State, Defense, and the CIA.32

If the Berlin blockade of 1948 provided the first external catalyst that elevated the NSC’s prominence, North Korea’s invasion of South Korea on June 25, 1950 was the strategic shock
that solidified America’s Cold War institutional posture. In response, Truman began regularly chairing NSC meetings and increased their frequency to a weekly basis, and increased its permanent staff membership while decreasing the number of meeting participants (to keep discussions focused and at a suitably high-level). The Korean War galvanized other dimensions of the Cold War as well, most famously resolving the internal debates over NSC-68 in favor of its recommended massive increases in defense spending. Consistent with its expansive views of national power and national security, the Truman Administration worked with Congress in 1951 to pass the Mutual Security Act, creating a new foreign assistance organization whose director would sit on the NSC. This trend towards expansion and addition of agencies was not irresistible, however. The National Security Resource Board, initially envisioned by the 1947 Act’s architects as almost equal in importance to the NSC, withered under the pressures of domestic political resistance and lack of support from the Truman Administration, until it was eliminated altogether by the Eisenhower Administration.33

The Truman Administration’s project of national security institutional reform is best understood as a discrete process that unexpectedly began at Pearl Harbor, accelerated with the advent of the Cold War, and was consolidated in the shadow of the Korean War. Within the US Government, multiple factions brought multiple agendas, but what united them were the beliefs that national power now encompassed diplomatic, intelligence, military, economic, and ideological resources, and that national security meant protecting and promoting democratic capitalism in a global conflict. As chief executive, Truman himself worked with and sometimes worked against the system until it became the instrument that he desired.

Though Truman did not appreciate it at the time, the success of his institutional reforms also depended on his detested successor in the Oval Office, the Republican Dwight D. Eisenhower. In one of presidential history’s recurring ironies, Eisenhower campaigned in 1952 as a critic of Truman’s national security system and policies, only to largely adopt that same structure once in office. It was this embrace of Truman’s institutions by a successor of the opposing party that in turn helped institutionalize Truman’s reforms and give them bipartisan
legitimacy. Admittedly, Eisenhower made his share of modifications, to the strategic framework of containment and to the actual functioning and structure of the NSC. But these were modifications, not rejections. As Joseph Nye observes, the key decisions of American strategy—“containing the Soviet Union and maintaining a permanent presence abroad”—were made by Truman, but they were consolidated into a prudent and sustainable system by his successor, Dwight Eisenhower.” Specifically, Eisenhower “consolidated and improved Truman’s institutional changes, such as the National Security Council (NSC) process.”

Eisenhower’s adoption of this system thus ensured that it would be preserved intact, albeit with continual modification, by every subsequent president.

Nevertheless, in the ensuing decades few of the system’s architects, including Truman, would have recognized it as it evolved to produce a National Security Advisor of equal stature with cabinet secretaries, or an intelligence community dominated by the CIA, or an NSC staff involved in the creation and execution of national security policy. But they would likely have recognized some of its results, such as American victory in the Cold War, and some of its problems, such as perpetual bureaucratic turf wars, and periodic scandals.

III. THE END OF THE COLD WAR

The NSC as an institution evolved throughout the rest of the Cold War. The Eisenhower Administration expanded the staff size and adopted more formal procedures, the Kennedy Administration elevated the role of the National Security Advisor to be essentially co-equal with cabinet secretaries, and the Nixon Administration saw Henry Kissinger consolidate power in the NSC to an unprecedented degree. These various incarnations of the NSC at times produced policy successes and other times failures, yet all were adaptations of a fairly functional system. Until the breakdown that took place during the Reagan Administration.

The strategic shock that shook the American national security system in 1986 came not from a Soviet surprise attack but from a homegrown scandal. In an ironic twist of history, it was a rogue operation spanning multiple continents of trading arms for hostages to fund a guerrilla
war that led to the birth of the modern NSC system. The details of the Iran-Contra scandal have been related exhaustively elsewhere and need not concern us here. Rather, its significance for the question of institutional reform is twofold. First, that an internal scandal emanating from the NSC, rather than an external threat, prompted a major reform effort. Second, that reform effort was completed just in time for a second strategic shock: the sudden collapse of the Soviet bloc and the end of the Cold War.

The geopolitical context is important. The Iran-Contra scandal was largely a self-inflicted wound during a time when the United States was re-ascendant as a global power. By 1985, a revived economy and military expansion had improved the nation’s confidence and credibility abroad, just as its Soviet adversary was showing signs of brittleness. Conciliatory gestures from the new Soviet leader Mikhail Gorbachev provided further cause for optimism. As foolish and damaging as the Iran-Contra episode was, it also occurred at a time when America was otherwise well-positioned and on a positive trajectory. The domestic political conditions for reform of civilian national security institutions were especially ripe given the passage in 1986 of the Goldwater-Nichols Department of Defense Reorganization Act, which substantially revised the organization of the military to achieve greater operational jointness, unity of command, and ultimately combat effectiveness.

To investigate Iran-Contra and draw some constructive lessons from it, the White House created the President’s Special Review Board, known informally as the “Tower Commission” after its chairman, former Senator John Tower of Texas. Political expediency certainly played a role in Reagan’s decision to create the Commission, as his Administration faced pressures on multiple other fronts including Congressional investigations and the appointment of an Independent Counsel. Taken together, these various investigations also produced the requisite political will and consensus for needful institutional reforms. Brent Scowcroft was the only one of the three members of the Tower Commission to have previously served on the NSC staff, including as National Security Advisor for President Ford. In writing the Tower Report, Scowcroft and his colleagues focused on the role of the National Security Council system, the
breakdown of which lay at the core of the scandal. Importantly, in the words of the report their conclusion “validates the current National Security Council system,” and its recommendations were for reform of the system rather than a wholesale scrapping of it. These reforms included a strengthened role for the National Security Advisor and NSC staff in serving as “honest brokers” of interagency positions, clarified lines of authority and responsibility, and an end to any operational duties or covert actions overseen by NSC staff. The Reagan White House embraced the Tower Commission’s recommendations, and a chastened Reagan ordered them implemented during his last two years in office. In turn, by almost all accounts the Reagan Administration NSC system—in both of its incarnations as the gathering of cabinet-level principals and as the NSC staff—functioned quite smoothly under the Tower Commission reforms. Under National Security Advisors Frank Carlucci and his successor Colin Powell, the staff refrained from operational mischief and returned to a more coherent structure. Meanwhile, when Carlucci replaced Casper Weinberger as Secretary of Defense, the once toxic feuds between State and Defense abated, as Carlucci, Powell, and Secretary of State George Shultz forged a collegial partnership through the duration of the Administration.

The Bush and Clinton Administrations and the Post-Cold War World

Two paradoxes stand out about the George H.W. Bush Administration’s national security policy and institutions. First, while the Bush Administration is known for a substantially different foreign policy approach than the Reagan Administration, it largely maintained the same national security institutions that were inherited from the Reagan White House. Second, while the Bush Administration presided for four years over some of the most profound shifts in the international order that world history had ever seen, the Administration largely eschewed any profound institutional reforms within its own government. Instead, it used status quo institutions to manage revolutionary global change. It later fell to the first exclusively Post-Cold War era presidency, the William J. Clinton Administration, to adopt more substantial institutional reforms.
Bush’s choice of Scowcroft to be Assistant to the President for National Security Affairs largely explains the first paradox. What he had conceived in the Tower Commission report, Scowcroft was able to put into practice as the National Security Advisor. This structure became the modern NSC system that has continued to this day under the three administrations that followed. It is based on a process structure organized around four tiers of escalating rank that extend across the relevant agencies involved in national security. Each tier considers and resolves issues in its domain, and then sends unresolved issues or issues needing higher-level attention up to the next tier. The initial entry point is the Policy Coordinating Committee, consisting of Assistant Secretary-rank officials. The next level is the Deputies Committee, chaired by the Deputy National Security Advisor and comprising officials of the Deputy and Under Secretary-rank. The next level, a Scowcroft innovation, is the Principals Committee (PC), chaired by the National Security Advisor and consisting of cabinet secretaries. The top level is the formal NSC meeting itself chaired by the President. Notably, the PC in a certain manner resembles a return to the earliest days of the NSC under Truman, when the Secretary of State or Defense would often chair NSC meetings in the president’s absence. Rather than indicating a lack of presidential interest or support for the NSC, the PC was designed to make efficient use of the most precious presidential resource—time—by having senior officials first process the relevant issues and then present them in appropriate form for presidential deliberation and decision.

The Scowcroft reform of the NSC system took place just before the strategic shock of the collapse of the Iron Curtain and the end of the Cold War. The Bush Administration’s national security team by and large performed ably, even expertly, during this seismic turn of events, as well as in its handling of the subsequent Persian Gulf War. In this they were helped by a reasonably well-functioning set of national security institutions. The Bush Administration is remarkable for how little it did to reform and update institutions. Rather it appears the Bush Administration became so immersed in the whirling maelstrom of world events that it had neither the time nor the bandwidth to engage in a sustained institutional reform project.
While in one sense the Bush Administration’s relative disregard of institutional reforms was very understandable given the overwhelming demands of the turbulent global landscape, the contrast with the Truman Administration is still notable. As discussed earlier in this chapter, the Truman Administration created new national and international institutions while simultaneously navigating profound global policy challenges. The Bush Administration perceived no need to reform institutions amidst unfolding events because the institutions seemed to work, whereas the Truman Administration had to create new institutions precisely because it otherwise lacked the tools to deal with the revolutionary new world it encountered.

Yet what in hindsight appears as the smooth and peaceful denouement of the Cold War should not obscure the profound uncertainty, friction, and drama that faced President Bush and his team. After all, at the time they did not know how the story would end. And they knew that any misstep could bring serious, even catastrophic consequences.

A memo from Scowcroft to Bush on January 16, 1990 about the American defense budget encapsulated these challenges. In the previous three months alone, the Berlin Wall had crumbled and the Iron Curtain had dissolved. The Soviet Union, however, still loomed as a nuclear-armed superpower adversary, even under the more benign rule of Mikhail Gorbachev. Scowcroft’s memo wrestled with “characterizing defense budget reductions,” specifically whether and why the Administration should reduce the Pentagon budget at this critical juncture. The memo is suffused with the language of uncertainty. The weakening US economy placed additional fiscal pressures on defense spending, especially after its boom during the Reagan years. Even larger loomed the question of the type and size of military needed for what Scowcroft already called “a ‘post-containment’ world” with “revolutionary changes that are happening all around.” Hence Scowcroft recommended that while economic realities dictated some pruning, “we should characterize the defense budget request as the first step in restructuring our defense program and military capabilities in ways that position us for ongoing and prospective changes in the security environment.” In an eerily prescient sentiment, considering that Iraq’s surprise invasion of Kuwait would take place several months later, Scowcroft cautioned that “our forces must
continue to deter the Soviets, but also have increased utility for other, more likely, conflicts.” Moreover, “over the longer term we will continue to build a certain degree of reversibility into what we do as a hedge against unforeseen changes.” Scowcroft concluded that “such an approach is inherently cautious but ties the defense program to real changes that are occurring in the world . . . it allows the Administration to occupy some strategic high ground and use it as a defensible position from which to dampen unrealistic expectations for an immediate and large peace dividend.”

As they agonized over the defense budget, Bush and Scowcroft wrestled with an even more basic question: how should they talk about this uncertain global situation? Ideas precede policy, after all, and language helps translate ideas into policy. A revealing moment came on September 11, 1990 (a date now replete with historical irony) as Bush prepared to address a joint session of Congress in the wake of Saddam Hussein’s invasion of Kuwait. One early success, thanks largely to Secretary of State James Baker’s deft diplomacy, came when the Soviet Union supported a UN Security Council resolution condemning Iraq’s aggression. Yet this also sharpened the geopolitical uncertainty facing the Bush Administration: was the Soviet Union still a foe, now a friend, or something else altogether? Referencing the decline of East-West antagonisms, Bush’s speech draft triumphantly cited the USSR’s unprecedented cooperation in opposing Saddam Hussein as evidence that “we could put forty-five years of history behind us. At long last: The Cold War is over.”

But Bush never said those words. The day of the speech, Scowcroft deleted those lines in a last-minute set of edits. In sending the revisions forward, NSC Executive Secretary William Sittmann informed White House Deputy Chief of Staff James Cicconi that “General Scowcroft feels very strongly about his changes.” Bush evidently agreed with his National Security Advisor’s caution. The more anodyne version of the speech that he actually delivered made no dramatic assertions about a Cold War victory, and noted only that “a new partnership of nations has begun.” The speechwriting and editing process provided a poignant illustration not only of the
White House’s ambivalence about how to describe the world, but also its confusion over the very nature of that world.

The world as it was may have been unclear, but not so the world they wanted to create. The Bush Administration’s chosen phrase to describe their ambitions became “a new world order.” The origins of the term itself remain murky. Scowcroft seems to have come up with the phrase while fishing with Bush on August 23, 1990 in Kennebunkport, Maine, and first used it speaking to the media later that day. Yet even as it became more widely adopted, Scowcroft remained ambivalent about its implied utopianism and admitted it could sound “gimmicky.” Bush’s first public use of it came a week later during a press conference on August 30, 1990 concerning the Persian Gulf Crisis, when he described the potential significance of the multilateral coalition opposed to. “As I look at the countries that are chipping in here now, I think we do have a chance at a new world order.” Bush elaborated on this in his September 11, 1990 address to a joint session of Congress in what became known as the “new world order” speech. In it Bush asserted “out of these troubled times . . . a world order can emerge: a new era—freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace.” Bush’s frequent invocation of this phrase over the duration of his presidency demonstrated its resonance in his mind. By the count of his own White House staff, he used it in public statements at least 42 additional times over the next eight months alone.

This phrase may be one of the most emblematic terms of Bush’s presidency, yet in another paradox the Administration failed to ever define it, let alone translate it into meaningful new institutions. Eventually the Administration stopped even using the phrase, and moved away from the idea behind it. According to Sparrow, “Scowcroft accepted responsibility for the idea’s demise. The administration let it ‘drift,’ he conceded, and ‘never invest[ed] in a new program’.” Senior staff such as Richard Haass and Dennis Ross lamented the failure of the Bush Administration to develop a coherent strategic vision. Haass later commented that “I wrote memos, suggested presidential speeches, but Bush wasn’t comfortable with grand doctrine. His anti-grandness gene kicked in.” In the words of Derek Chollet and James Goldgeier’s otherwise
sympathetic portrayal, “Bush’s exhortations about a new kind of global politics implied more
forethought and planning than actually existed. He and his advisers were largely making it up as
they went along.” While this prudence and caution in the face of revolutionary global change is
understandable and in hindsight appears vindicated, it also poses a notable contrast to the
Truman Administration’s ambitious development of the containment strategy and construction
of new national security institutions during the equally tumultuous early Cold War era.

With the Soviet Union’s final dissolution on Christmas Day 1991, the United States
emerged in 1992 as the world’s hegemonic superpower, possessing a proportion of global power
not seen since the end of World War II and perhaps never before. While the Cold War’s final
dénouement provided its own strategic shock (albeit a positive one), even at this juncture the
Bush Administration still did not initiate any substantial reforms of America’s civilian national
security institutions. This was in part because of the Administration’s judgment that the
prevailing institutions worked sufficiently well, and in part because after three exhausting years of
managing profound global change, domestic politics returned with a vengeance. Bush found
himself facing an economic recession, plummeting approval ratings, and electoral challenges
from the right, left, and center in the respective candidacies of Patrick Buchanan, Ross Perot,
and Bill Clinton. Any questions of institutional reform in a second term were answered in the
negative by Bush’s 1992 reelection loss, and inherited by the Clinton Administration.

The judgments of history are rarely kind to one-term presidents who lose re-election. This
makes the recent favorable reassessments of the George H. W. Bush Administration’s national
security policy all the more remarkable. While this chapter contends that the Bush team did not
possess an overarching strategic vision nor advance any significant institutional reforms, this does
not render them a failure. In the tasks history handed them—of navigating a peaceful end to one
of the most terrifying conflicts the world had ever seen, of helping usher in democracy,
prosperity, and peaceful reintegration to a divided Europe, of rolling back tyrannical aggression
and restoring a stable balance in the Middle East—the Bush Administration was equal to the
moment. As Joseph Nye contends, some acute historical challenges demand a “transactional”
rather than a “transformational” president, and he lauds Bush as an exemplar of the former. In managing the fraught transactions of international politics that ended the Cold War, Bush and his team performed remarkably well.45

When Bill Clinton took the oath of office on January 20, 1993, he embodied another paradox: a president with little preparation or interest in national security policy inherited a nation at the zenith of its global power. His relative inattention to foreign policy mirrored that of an American public feeling dispirited by their country’s economic recession and more relieved than triumphant about the Cold War’s end. As Chollet and Goldgeier describe, “the new president didn’t want to make…any global issue the center of attention when he came into office…Clinton believed, with reason, that the election had been fought and won on domestic issues and argued privately that international issues had come up on the campaign trail only in questions from journalists who cared about foreign affairs.”46 Partly because national security was not a priority, and partly because he did not want to tamper with what he saw as a successful model, the new National Security Advisor Tony Lake decided to preserve the basic structure of the Scowcroft NSC system. David Rothkopf describes this as an “act of political courage,” because “past Administrations had seen tinkering with the NSC structure as a way of imposing their identity on the process.”47 Clinton’s embrace of the Bush NSC system also mirrored Eisenhower’s adoption of the Truman system. Once again, a successor president of the opposing party helped ensure bipartisan support and continuity of institutional reforms.

“It’s the economy, stupid” was the memorable mantra invoked by the Clinton team throughout the 1992 campaign. Ironically this focus on domestic policy led directly to what became one of President Clinton’s most consequential institutional innovations on international policy. The NSC structure itself may not have been changed, but instead it received an imitator and in some ways even a bureaucratic competitor with Clinton’s creation of the National Economic Council (NEC). The new team began to implement the NEC during the presidential transition, designing it as an entity within the Executive Office of the President to coordinate all economic policy, domestic and international. This also reflected Clinton’s fascination with the
then-new concept of globalization and the growing interdependence of the United States and the world. Clinton shrewdly realized that the efficacy of new institutions depends as much on personnel as on structure. Within weeks of his election, he phoned Goldman Sachs co-chairman Robert Rubin and asked the investment banker to head the new NEC. Rubin eagerly accepted this new role and made it work, enjoying considerable success first in leading the NEC and eventually as Secretary of the Treasury as well. Analyzing why the new NEC survived and even thrived when many other institutional innovations do not, Rothkopf observes

the most successful reforms of this sort require the absolute commitment of a major source of power, such as the president; an exceptional champion for the reform in its early days, such as Bob Rubin was; and a little bit of luck, skill, or both. The birth of the NEC needed to have all these things going for it, vulnerable as it was of being killed off by those on the NSC or those in individual departments who saw it as diminishing their power or cutting into their turf.48

The Clinton era also witnessed a recurring theme in post-war institutional reforms: the role of Congress. Just as Congress had played a significant part in past reorganizations such as the 1947 National Security Act and especially the 1986 Goldwater-Nichols Defense Department Reorganization Act, Capitol Hill emerged as an influential actor in a substantial reorganization of multiple Cold War-era agencies. Under the chairmanship of the venerable conservative Jesse Helms, the Senate Foreign Relations Committee developed legislation to abolish the Arms Control and Disarmament Agency (ACDA), the United States Information Agency (USIA), and the United States Agency for International Development (USAID) by merging their functions into a (presumably) strengthened and streamlined State Department.49 On one level this proposal demonstrated the changed geopolitical landscape with the end of the Cold War. No longer did the United States face an adversary armed with a massive nuclear arsenal and a competing ideological system, the respective domains of the ACDA and USIA. In this case Sen. Helms also resurrected an idea that the Clinton Administration had once conceived but then dismissed. Secretary of State Warren Christopher had first proposed this merger, only to have
Vice-President Al Gore, who was overseeing the Administration’s government-wide reform efforts, reject it. In convening his first hearing on the issue in 1995, Helms complained to Christopher that “I have had the majority staff look into the way our government executes decisions the President makes in foreign affairs. The way it is now structured, it is a mess.” Helms particularly lamented that “No one person is in charge—and I firmly believe that one person must be in charge of all actions that take place outside (the United States), except for military operations, and that one person is the secretary of state.”50 Even though Helms’ criticisms were directed in part at the Clinton Administration, they likely pleased Christopher in that they reflected his original ideas and sought to strengthen his cabinet position.

Congress passed Helms’ first reorganization bill in 1996, but it suffered a Clinton veto as the president worried it went too far in usurping executive branch management and eliminating agencies that still enjoyed considerable bureaucratic support. Undeterred, Helms secured the Clinton Administration’s support for a revised version of his State Department reform measure the next year, in exchange for an agreement to allow the Chemical Weapons Convention (CWC) treaty to come to the Senate floor for a ratification vote. Helms had long opposed the CWC, but agreed to a tactical defeat as it passed the Senate in exchange for what he saw as a strategic victory in the dissolution of the ACDA and USIA and subordination of USAID under the State Department.51 Though both the Clinton Administration and Senator Helms had to compromise on certain points, overall both parties saw the final package of reforms as a necessary measure to bring American diplomacy from the Cold War into the 21st century.

IV. INSTITUTIONAL REFORM IN THE PRESENT ERA: SEPTEMBER 11TH AND BEYOND

The strategic shock of the terrorist attack on September 11, 2001 was accentuated by the searing exposure of the nation's vulnerability during a time when America otherwise still occupied its post-Cold War position as the dominant global power. From this paradoxical position of national strength and vulnerability, under the George W. Bush Administration the United States the most extensive set of institutional reforms since the beginning of the Cold
Yet as extensive as these new reforms were, it should not escape notice that this Bush Administration also preserved several of the institutional reforms it had inherited from the Clinton Administration, including the National Economic Council, and the merger of USIA and ACDA functions into the State Department. Once again, the pattern of a president of an opposing party adopting his predecessor’s reforms helped ensure their bipartisan continuity.

As the Bush Administration grappled with its response to the September 11th attacks, it self-consciously drew on the historical analogy of the early Cold War years. Just as the Truman Administration had constructive a new set of institutions for the global contest with communism, so did the Bush Administration see its own efforts to create a new set of national security institutions for the 21st century global conflict with Islamist terrorism. Bush frequently expressed this theme, such as in a 2006 commencement address at West Point that drew explicit parallels with the Truman Administration and the early Cold War:

President Truman launched a sweeping reorganization of the federal government to prepare it for a new struggle. Working with Congress, he created the Department of Defense, established the Air Force as a separate military service, formed the National Security Council at the White House, and founded the Central Intelligence Agency to ensure America had the best intelligence on Soviet threats… Today, at the start of a new century, we are again engaged in a war unlike any our nation has fought before—and like Americans in Truman’s day, we are laying the foundations for victory.53

Both of the Bush Administration’s National Security Strategy (NSS) documents, issued in 2002 and 2006, respectively, included an entire chapter entitled “Transform America’s National Security Institutions to Meet the Challenges and Opportunities of the 21st Century.” Each NSS, especially the 2006 edition, described the creation of new institutions such as the Department of Homeland Security (DHS), the Director of National Intelligence, the National Counterterrorism Center (NCTC), the Millennium Challenge Corporation (MCC), the
President’s Emergency Plan for AIDS Relief (PEPFAR), the Director of Foreign Assistance, and the Office of Reconstruction and Stabilization.\(^{54}\)

The similarities between the George W. Bush Administration and the Truman Administration on institutional reform may have been even closer than the Bush Administration realized. Like in Truman’s day, the Bush White House faced considerable external pressure for some of the reforms—and like the Truman Administration, the Bush Administration resisted many of these reforms, until compelled to accept them. Thus it was the relentless demands of Congress for the creation of the Department of Homeland Security that caused the Bush Administration to drop its opposition and agree to the passage of the Homeland Security Act of 2002. And it was the National Commission on Terrorist Attacks Upon the United States (the “9/11 Commission”), created over the Bush Administration’s objections, that demanded reforms such as the creation of a more integrated intelligence system. The 9/11 Commission Report led directly and rapidly to the passage of the Intelligence Reform and Terrorism Prevention Act of 2004, which among other provisions created the Office of the Director of National Intelligence (ODNI) and the National Counterterrorism Center.\(^{55}\) Just as in Truman’s day, there was a rough consensus on the necessary elements of national power to be brought to bear on the new conflict, but fierce disagreements over how that power should be institutionalized and wielded. In 1947 and in 2003, institutional reforms occurred as contested processes, with competing stakeholders and multiple catalysts, and with a president determined to protect his prerogatives while wielding whatever instruments of power available to him.

The verdict is still unfolding on these reforms, and the reform processes themselves may not be complete. Thus far the results are mixed, though many of these Bush-era reforms have benefitted from the Obama Administration’s continuation of a notable historical pattern. After campaigning in 2008 on an explicit repudiation of Bush foreign and defense policy, once in office President Obama has largely preserved most of the institutions created under the Bush Administration. Some of these are unsurprising, such as Bush’s “smart development” initiatives exemplified by PEPFAR and MCC, which Obama has continued albeit with reduced funding.
due to budgetary pressures. Much less expected has been the Obama Administration’s embrace of the Bush Administration’s intelligence and counterterrorism infrastructure, which if anything has been expanded and used with considerable effect.

The Bush-era intelligence reforms themselves did not have an auspicious beginning, although perhaps initially too much emphasis was placed on new institutional structures rather than personnel and leadership. Commenting on the institutional ambiguities and tensions inherent in the O/DNI and CIA relationship, Paul Pillar has observed that “Even poorly designed institutional structures can be made to work with enough skill and will from the people at the top. Individual working relationships that those people forge are critical, and different people in the same positions might not be as good at forging such ties. Nonetheless, the tone that the people at the top set shapes the work habits of the folks lower down in their organizations. Once formed, the habits can persist even after leaders change.” In this vein, current DNI James Clapper, who has held the position since 2010, has taken a cooperative and collegial posture towards the other heads of the intelligence agencies, especially the various CIA Directors. Clapper has focused on the developing the coordination and budget responsibilities of his office, and thus cultivated more institutional credibility and respect for the O/DNI that make its longer term viability much more promising. Likewise the various NCTC directors have adeptly concentrated on the coordination and analysis responsibilities that the law provides, rather than picking what would have been losing bureaucratic fights with operational entities like the CIA’s Counterterrorism Center. Now that a decade has passed since the creation of the ODNI and NCTC under Bush, both entities function as integral parts of Obama’s national security system, and will very likely continue under the next presidency.

The verdict on the Department of Homeland Security (DHS) remains uncertain but early indications are not promising. The disparate mélange of agencies, offices, and institutions that were forcibly merged under the DHS umbrella have largely resisted true integration of functionality or mission. As one critic recently observed, a “cautionary tale, recently reviewed by the Government Accountability Office, is the eight-year-and-counting attempt to realign the
Department of Homeland Security’s field office structure. The GAO’s review recounted two major reorganization efforts, in 2004 and 2010, both of which were substantially abandoned. It was unable to find enough documentation to even evaluate whether the benefits of these reorganizations would have justified the costs.”59

For all of its ambitions of transforming institutions, the Bush Administration still preserved intact large swaths of the system first created under Truman. From their gruesome nativity in the strategic shock of the Pearl Harbor attack to the vantage point of the 21st century, the reforms of civilian national security institutions during the Truman Administration remain the most consequential and enduring in American history. The process lacked a grand design, and its multiple architects competed as much as they cooperated, but in the end resulted in a system that enabled the Truman Administration to establish not just the ideas but also the means for a Cold War grand strategy. The institutions had flaws from the outset, and some of those flaws would bedevil the national security system throughout the Cold War and even up to the present day.60 However, for all of its weaknesses, the system bequeathed to us then still works, for two fundamental reasons. First, it contained enough flexibility and internal adjustment mechanisms that subsequent Administrations could continue to revise and update the national security system to suit the preferences of each president and the changing landscapes of international politics. Second, it succeeded in its most basic purpose, of enabling the President and his lieutenants to wield all instruments of national power on behalf of a broad vision of national security. Put another way, the system may not be good, but for almost 75 years it has been good enough.

Yet now, “good enough” may no longer be, in fact, good enough. Further reforms may be necessary as the United States enters an uncertain new era in which our national power may not be as dominant or enduring, and the international security environment encompasses a complex array of possible threats ranging from great power peer competitors to pariah states pursuing weapons of mass destruction to non-state actors such as terrorist groups. This is where the concept of “sustainable security” becomes most relevant. National security needs to be sustained
even when prevailing distributions of power are shifting, and new threats are emerging. However, two cautionary notes are in order. First, while global power distributions are shifting, this does not necessarily mean that American power is substantially declining. Second, the fact that the previous institutional reforms discussed as historical case studies in this chapter generally took place during times of relative power ascendance does not mean that the insights from those reforms do not apply during times of power stagnation or decline.

On the question of American power, this author does not share the premise of some other contributors to this volume that the United States is a declining power. While global power balances are in flux, with the trend appearing to include China’s power increasing as that of Japan and the European Union diminishes, overall the United States still retains a position of predominance across several domains such as economic power, military power, and diplomatic power. In economic terms, while America’s challenges include anemic growth and a ballooning debt, they pale in comparison with the Eurozone’s simmering crisis and economic erosion, or with China’s economic slowdown and stalled transition from a low-cost manufacturing and export economy to a domestic consumption economy, or with Russia’s continued overreliance on hydrocarbon exports and slow-motion demographic suicide. Setting aside China’s slowing growth rates, themselves a crude and imperfect indicator of future trends, Beijing’s more enduring economic problem remains the failure to develop a system of widespread innovation. Extrapolating on this, Michael Beckley recently observed that “the United States is now wealthier, more innovative, and more militarily powerful compared to China than it was in 1991.” In military terms, the United States remains the dominant global hegemon, even as the declining defense budget of the past few years is now beginning to grow again. Diplomatically, while under the Obama Administration the United States has sought to reduce its commitments abroad, no other nation has emerged to replace the United States as the diplomatic convener of first resort, and most other nations in every region still look to America as an essential diplomatic participant in addressing regional and global crises. In international politics, the United States
fills the role of what Josef Joffe terms the “default power…a nation to which others look when nobody else steps forward.”

This is not to assert that the United States will inevitably remain the dominant global power for the next half century, but only that predictions of inevitable American decline or even power stagnation are not warranted. Lamentations over nation declension have been a perennial feature of American public consciousness since the Puritan new world settlements of the 17th century, a phenomenon that Samuel Huntington labeled “Declinism.” Yet they have very often proven unwarranted. As Joffe contends in his 2014 book, *The Myth of America’s Decline: Politics, Economics, and a Half Century of False Prophecies*, across a preponderance of metrics that capture not only static capabilities, but more crucially the capacity for dynamism and renewal, the United States is poised to remain the dominant global power for the foreseeable future.

Yet what if this time the grim, gloomy prophets are correct, and American primacy is coming to an end? Here the second point emerges: shock and flux, not power ascendance, matter most for spurring institutional reform. For purposes of this chapter’s historical analysis and current prescriptions, when it comes to reform of civilian national security institutions the lessons still hold. The key determinant of the past phases of institutional reform assessed here—principally the beginning of the Cold War but also the end of the Cold War and the post-9/11 period—was not abundant and increasing national power, but rather strategic shocks and system flux. It was the shock of the Pearl Harbor attack followed by the systemic flux of the emergence of the Soviet threat after World War II that spurred the creation of the NSC, CIA, Defense Department, and related reforms. It was the shock of the Iran-Contra scandal, the Cold War’s end, and the systemic flux of globalization that drove the modernization of the NSC and the creation of the NEC. It was the shock of 9/11 that drove the creation of O/DNI, NCTC, DHS, and so on.

And so, if further reform of national security institutions is undertaken, such efforts and those leading them should bear in mind the following principles, borne of history:
• *First do no harm.* If poorly conceived, sometimes the creation of new institutions can be deleterious to national security. The perpetual impulse to build something new should be carefully examined before being acted on. This prudent insight in part shaped Brent Scowcroft’s reluctance to replace or completely recreate the NSC in the wake of Iran-Contra and the end of the Cold War.

• *Strengthen what remains.* Just as the Tower Commission and then the Clinton Administration found with the NSC, it may be that the current institutions are the best option, and merely need to be updated and strengthened.

• *Define first principles.* Institutions are tools, and before new tools should be designed and used, their purpose needs to be defined. What is the nature of power in the 21st century, and how do we ensure that our national security institutions wield it most effectively? What are the strategic goals that our national security institutions are designed to attain? It was in part these questions that shaped the creation of the NSC and related institutions under Truman. His Administration and its Congressional allies determined that the nature of power itself was changing as the Cold War emerged, that economic, diplomatic, and ideological power needed to be integrated with military power, and that the projection of force needed to be better subordinated to political goals determined by the president.

• *Secure bipartisan presidential support.* No reform can succeed without the support, engagement, and commitment of the Oval Office as an institution, beyond individual presidents. The president is not only the chief executive but also the diplomat-in-chief and the commander-in-chief, and all of these roles must align in supporting new or reformed institutions. Yet new presidents can often undo the actions of their predecessors, so enduring institutional reforms will be most viable when they are embraced by successive presidents, especially of opposing
parties. The examples of Truman to Eisenhower, Bush 41 to Clinton, Clinton to Bush 43, and Bush 43 to Obama all illustrate this.

- **Enlist multiple stakeholders.** Important actors such as Congress, expert commissions, existing departments and agencies should be enlisted early in the process, to solicit ideas, generate political will, and ensure sustainability. They will insert themselves anyway, so better to invite them at the outset. From the Eberstadt Commission to the 9/11 Commission, from Forrestal to Kennan to Scowcroft, this characterizes the institutional reforms pursued in every era described in this chapter.

- **Institutionalize adaptation.** In other words, reform and build institutions in a way that allows them to be further revised and adapted by succeeding generations. “Built to last” means “built to be reformed later.” Today’s NSC little resembles the NSC in its nativity under Truman, yet the 1947 law governing the institution remains the same. It gave the NSC its mandate yet remained either vague or sufficiently silent in other provisions to empower every president since to refashion the NSC according to his preferences.

- **Put people first.** Yes, this is a platitude, but in this case it has the specific purpose of remembering that quality personnel are more important than quality institutions. Good leaders can make bad institutions work; bad leaders cannot make good institutions work. Priority should first be given to recruiting, training, and empowering capable new national security leaders. The real success of the early Cold War era is not just the 1947 law, but the presence of giants such as Marshall, Kennan, Forrestal, Acheson, and Truman himself.

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6 Dickinson, 196. Note that Dickinson himself does not entirely share this assessment, and in fact argues that FDR's management style and system may be worth emulating by presidents today.

7 Wilson D. Miscamble, From Roosevelt to Truman: Potsdam, Hiroshima, and the Cold War (New York: Cambridge University Press 2007), 37. For a transatlantic perspective on Roosevelt's leadership, the international power transition and emergence of Cold War tensions, see David Reynolds, From World War to Cold War: Churchill, Roosevelt, and the International History of the 1940s (New York: Oxford University Press 2006).


11 May, 168.


13 Inderfurth and Loch, 3.


15 Quoted in Stuart, 86.

16 This is central to Amy Zegart's argument that the NSC emerged almost as a byproduct of the fierce dispute between the Army and Navy over military unification.
17 Eberstadt report excerpted in Inderfurth and Loch, 17-20.
18 Quoted in Stuart, 129.
20 Zegart, 163.
22 Stuart, 143.
23 August 8, 1947 Memorandum to the President from the Director of Policy Planning. From Department of State Record Group 59; Executive Secretariat, Subject Files, 1947-1965; Records of Actions, Entry A1 1586F; Box 3, Folder “NSC Admin 1947-49.” National Archives, College Park, MD.
24 Ibid.
26 “Opening Statement at First Meeting of National Security Council,” September 26, 1947 Agenda for the 1st Meeting of the National Security Council; Record Group 273 Records of the National Security Council; Official Meeting Minutes (OMM), Entry 5, Box 1, Folder: 1st Meeting. National Archives, College Park, MD. Forrestal quote from The Forrestal Diaries, 320. Emphasis original. Note also the unintended irony in Truman’s opening statement that the NSC would have no policy-making or supervisory functions except over the CIA – within a few years the opposite would be true, as the NSC attained more authority while the CIA became more independent.
27 Minutes of the 16th–20th Meetings of the National Security Council; Record Group 273 Records of the National Security Council; Official Meeting Minutes (OMM), Entry 5, Box 1, Folders: 16th, 17th, 18th, 19th, 20th Meetings. National Archives, College Park, MD.
28 A conventional view in much of the extant NSC scholarship is that Truman essentially ignored the NSC for its first three years and only reversed course to embrace it after the outbreak of the Korean War. This view emerges in, among others, Inderfurth and Loch; David Rothkopf, Running the World: The Inside Story of the National Security Council and the Architects of American Power (New York: Public Affairs 2005), 57; Stanley Falk, “The National Security Council Under Truman, Eisenhower, and Kennedy,” Political Science Quarterly, 79 (September 1964), 403-434; and Anna Kasten Nelson, “President Truman and the Evolution of the National Security Council,” Journal of American History, Vol. 72, No. 2 (Sep., 1985), 360-378. In contrast and to his credit, Stuart appreciates the significance of the Berlin crisis as a transition point in Truman’s posture towards the NSC.
29 Stuart, 1.
30 Minutes of the 26th–44th Meetings of the National Security Council; Record Group 273 Records of the National Security Council; Official Meeting Minutes (OMM), Entry 5, Box1, Folders: 26th–40th Meetings; Box 2, Folders: 41st–44th Meetings. National Archives, College Park, MD.
31 Minutes of the 37th Meeting of the National Security Council (includes copy of Dulles-Jackson-Correa Report). Record Group 273 Records of the National Security Council; Official Meeting Minutes (OMM), Entry 5, Box1, Folders: 37th Meeting. National Archives, College Park, MD. Also Stuart, 258-267 and Zegart, 163-195.

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32 Minutes of the 9th Meeting of the National Security Council (contains copy of Forrestal memo). Record Group 273 Records of the National Security Council; Official Meeting Minutes (OMM), Entry 5, Box1, Folders: 9th Meeting. National Archives, College Park, MD. Also Falk, 416.

33 Falk, 416, and Stuart, 279-280.


36 These orders were embodied in National Security Decision Directives 266 and 276, which borrowed language wholesale from the Tower Commission report in restructuring the NSC. Available at http://www.fas.org/irp/offdocs/nsdd/index.html


38 For a thoughtful assessment of the Bush and Scowcroft NSC, including the important role of personnel selection, see Bartholomew Sparrow, *The Strategist: Brent Scowcroft and the Call of National Security* (New York: Public Affairs 2015), 265-291. Sparrow asserts that the Scowcroft NSC differed from those under Reagan in one important respect: it elevated the role of the National Security Advisor to effectively co-equal to the Secretary of State in policy formulation.

39 January 16, 1990 memo from Scowcroft to President Bush on “Characterizing Defense Budget Reductions.” From Scowcroft, Brent Collection; Chronological Files; Folder “Other (January–May 1990 (1));” George H. W. Bush Presidential Library, College Station, Texas.


Sparrow, 482.


Nye, 55-59.

Chollet and Goldgeier, 57.


Curiously, as substantial as this interagency reorganization effort was, it receives no mention in two of the standard books on Clinton-era foreign policy, by Chollet and Goldgeier, and Rothkopf.

“Helms Blasts Foreign Policy and Vows to Push an Overhaul,” Philadelphia Inquirer, 15 February 1995, A07. While Helms’ concerns about a multiplicity of voices claiming to speak for American foreign policy were directed at the heads of these three agencies, ironically he did not address the position that had emerged as a much more visible challenge to the Secretary of State’s primacy: the National Security Advisor.

For more on this process, see William A. Link, Righteous Warrior: Jesse Helms and the Rise of Modern Conservatism (New York: MacMillan 2008), 456-460, and James M. Lindsay, “The State Department Complex After the Cold War,” in Randall Ripley and James M. Lindsay, eds., U.S. Foreign Policy After the Cold War (Pittsburgh, PA: University of Pittsburgh Press 1997), 74-105.

Quality academic literature on the George W. Bush Administration remains quite sparse, in part because of limited access to source material until the archival records are processed, declassified, and opened. Some of the extant literature that does exist is marred by partisan bias. At this juncture, some of the more insightful treatments of the Bush Administration are journalistic accounts, such as Peter Baker, Days of Fire: Bush and Cheney in the White House (New York: Doubleday 2013), and David Rothkopf, National Insecurity: American Leadership in an Age of Fear (New York: Public Affairs 2014).

President George W. Bush, Commencement Address at the United States Military Academy at West Point, May 27, 2006. Available at http://www.presidentialrhetoric.com/speeches/05.27.06.html


60 These flaws, perhaps unavoidable, include persistent service rivalries, tensions and turf wars between the NSC and State, tensions between the NSC’s honest broker and advisory roles, insufficient coordination across intelligence agencies, and so on.

61 For more on the complexities of measuring national power, see William Inboden, “What is Power?” *The American Interest*, November/December 2009


Reforming American Power: Civilian National Security Institutions in the Early Cold War and Beyond. William Inboden. The reform of US national security institutions is best considered as an ongoing, episodic process rather than a series of discrete outcomes. Unintended consequences. United States into World War II, and brought in a new paradigm of national security institutions. The strategic shock of Pearl Harbor revealed not only an intelligence failure but also wholesale inadequacies in the ways that the American government was organized to wield power and protect its interests.3 Even as the US mobilized to fight the war, some American leaders began thinking about how their government should be reorganized not just for the war effort but especially for. Assessing security policies may also require an examination of non-military alternatives. In the 1990-91 Gulf Crisis and war, for example, examinations of the likely effectiveness of economic sanctions on Iraq were part of the discussion of security policy. Similar trade-offs will emerge in future crises, requiring the field to continue to consider broader questions of diplomacy and statecraft. The impetus for the development of international security studies came from the twin revolutions in American foreign policy and in military technology caused by the emergence of the Cold War and the development of atomic weapons. In the United States the Cold War shaped our political culture, our institutions, and our national priorities. Abroad. Early histories of the cold war saw the US as defending the world against the potential expansion of a communist system based on totalitarianism. Some revisionist histories saw US actions as precipitating the conflict as the provoked the Soviets. This book is good as it is not laden with the moral message.