The time has come to step into the future, to look at the world ahead and ask, what will America’s role be? What type of military do we need for the 21st Century?

Secretary of Defense William S. Cohen
on the issuance of the Quadrennial Defense Review
May 1997

The post Cold War threats to our national security are significant and complex. Intelligence—properly collected, analyzed, and distributed—can play a vital role in meeting these threats....Both our human assets and our highly capable technical intelligence systems can provide vital information to our senior policy makers about what our potential enemies are doing.

CIA Director John M. Deutch
April 1995
This chapter continues the discussion of bureaucracies and foreign policy by examining the Department of Defense and the intelligence community. These bureaucracies increased their foreign and national security influence over the post-World War II years, but both now have come under closer scrutiny as the post-Cold War years have set in. Our discussion highlights those changes in influence over time and assesses each bureaucracy's relative position at the end of the century. In addition, this chapter explains the mechanism that the executive branch uses to coordinate policy making across the different bureaucracies discussed in the last two chapters. While individual bureaucracies may impact foreign policy making directly, the combined effect of several bureaucracies—or the success of one bureaucracy over another—occurs most often through the interagency or interdepartmental coordination process that all recent presidents have used.

THE DEPARTMENT OF DEFENSE

The Department of Defense may well be perceived as a bureaucracy that only implements policy, but, in fact, the Department of Defense contributes substantially to the formulation of foreign policy decisions. Its overall power has grown significantly over the past fifty years, but its role in foreign policy formulation remains a source of debate. Some would contend that it is but one bureaucracy within the foreign policy apparatus, albeit a powerful one. Others would argue that it has a pervasive effect on American foreign policy making—often surpassing the competing bureaucracies within the executive branch. Still others would suggest that it is the beginning point for the "military-industrial complex," a structure woven into American society (see Chapter 11). Yet another view, and one especially prevalent today, claims that the military and its role ought to be changed substantially with the collapse of the Soviet Union and the advent of the post-Cold War era. Whichever view the reader adopts, there can be little doubt that the Department of Defense has increased its foreign policy making influence over the years and that, even in the face of changes in the 1990s, that influence is likely to remain for the foreseeable future.

The Structure of the Pentagon

The perceived influence of the Department of Defense begins with its considerable size and presence in the foreign policy decision-making apparatus of the government. As Figure 10.1 shows, the Pentagon (located across the Potomac River from the nation's capital in Arlington, Virginia, and named for the shape of the Department of Defense's headquarters) is a large and complex bureaucracy organized into key major divisions. These major divisions are further subdivided into a variety of departments, agencies, and offices that potentially affect many areas of American life.

The Department of Defense impacts the American public through the awarding of defense contracts, through domestic and foreign jobs created for United States corporations, and through the number of men and women
serving in the military services. In fiscal year 1995, for example, over $109 million in prime defense contracts was awarded within the United States, with every state and the District of Columbia sharing in those awards and the thousands of jobs they create. 4 Through September 30, 1995, the Department of Defense employed about 768,000 civilians, 1.1 million active-duty military personnel, and 1.7 million reserve and national guard personnel. The national defense outlays for fiscal year 1996 were estimated at about $266 billion. 5 In short, even with cuts in the defense budget over the past several years (and now some projected increases into the new century), 6 the impact of the Department of Defense expenditures on American society remain pronounced, fueled by concerns over the spread of weapons of mass destruction (e.g., biological, chemical, and nuclear), new instances of ethnic and religious conflicts (e.g., Bosnia, Rwanda, and Somalia), and the persistence of terrorism (e.g., the 1996 bombing in Saudi Arabia).

In terms of foreign policy formulation, three sectors of the Department of Defense are pivotal: (1) the secretary of defense; (2) the Joint Chiefs of Staff (JCS); and (3) the Office of the Secretary of Defense (OSD). The last, the Office of the Secretary of Defense, is the newest, and potentially the greatest, source of influence in affecting foreign policy formulation. OSD, the staff arm of the secretary of defense, consists of a variety of offices and agencies that deal with managing the department and developing foreign policy recommendations. Among OSD's mandated duties are the responsibility to "conduct analyses, develop policies, provide advice, make recommendations, and issue guidance on Defense plans and programs." It also has the responsibility to "develop systems and standards for the administration and management of approved plans and programs." 7 As the Office of the Secretary of Defense has grown over the years, it has become the principal focus for policy development and administration within the Department of Defense.

The policy division, headed by an under secretary of defense for policy, illustrates the crucial policy-formulating function within OSD. Within this division, for instance, several important policy offices operate: International Security Affairs; International Security Policy; Strategy, Requirements and Assessments; Special Operations and Low-Intensity Conflict; and Net Assessment. Each office, headed by an assistant secretary of defense, has an important stake in policy development.

Two of the middle-level offices within OSD illustrate the increased policy formulation role of the Department of Defense over the years: the Office of International Security Affairs (ISA) and the Office of International Security Policy. The former, in particular, gained prominence during the Vietnam War period when it was instrumental in offering policy advice. 8 Moreover, its responsibilities today cover such issues as security assistance, military assistance advisory groups and missions abroad, international economic and energy activities, and the monitoring of agreements with other nations, excluding the NATO countries. 9 ISA has gained such prominence in policy making that it has been labeled the "little State Department," because it provides a political component to the military analysis at the Pentagon. The ISA, however, declined in influence from Nixon to Carter, through some structural and procedural realignments. 10
During the Reagan administration, the Office of International Security Policy assumed a larger role within the Department of Defense for policy influence. Its responsibilities encompassed policy development on NATO and European affairs, including nuclear and conventional forces, strategic and theater arms negotiations, nuclear proliferation questions, and oversight of existing agreements. During those years, the assistant secretary of defense for international security policy was particularly prominent in speaking out on arms policy. Richard Perle often took the lead in shaping policy on the question of deploying intermediate-range nuclear missiles in Europe in the early 1980s and in developing the United States bargaining position on both intermediate-range and long-range nuclear forces at the arms control talks in Geneva. Indeed, his role in these negotiations, and in policy development generally, was so substantial that it has been chronicled in great detail by a political analyst, a rarity for a middle-level official in the foreign policy bureaucracy.

Although these offices did not gain the same recognition in the Bush administration, their status returned during the Clinton years. Two assistant secretaries heading these offices were prominent policy analysts on leave from Harvard University: Joseph Nye, a leading scholar of international relations and foreign policy, headed the Office of International Affairs for a time; and Ashton Carter, a leading thinker and analyst in the nuclear weapons area, headed the Office of International Security Policy. Both sought to put an imprint on policy, and Nye, in particular, was deeply involved in shaping United States policy toward Asia. Nonetheless, the importance of these two offices—and any other in the Department of Defense—will ultimately be a function of how the secretary of defense or even the president wants to use them to shape foreign policy.

The Joint Chiefs of Staff

The Joint Chiefs of Staff (JCS) is a second set of important policy advisors within the Department of Defense. The JCS, composed of the chief of staff of the Army, the Chief of Naval Operations, the chief of staff of the Air Force, the commandant of the Marine Corps, and the chairman of the Joint Chiefs, has been described as “the hinge between the most senior civilian leadership and the professional military.” The responsibility of the JCS is to provide the president and the secretary of defense with strategic planning and to coordinate the integration of the armed forces for use if necessary. In addition, the JCS recommends to the president and the secretary of defense the military requirements of the United States and how they are to be accomplished. Finally, the chairman of the Joint Chiefs, appointed by the president with the advice and consent of the Senate, is the primary military advisor to the secretary of defense, the National Security Council, and the president.

Policy-making Constraints. Despite its statutory foreign policy duties, the Joint Chiefs of Staff probably has been less effective in shaping American policy since World War II than the civilian side of the Pentagon—for at least two reasons.
First, the Joint Chiefs has enjoyed only mixed favor with both presidents and secretaries of defense since 1947. In fact, some presidents and secretaries have been at odds with the JCS and have tried to reduce its policy impact. President Eisenhower, for instance, was determined to “balance the budget and restrict military spending”—something the JCS did not favor. With his own vast military experience in World War II, Eisenhower did not see the need to rely upon the JCS for advice and assistance, especially after it had publicly criticized his policy. Under President Kennedy, the situation for the JCS only worsened, as Secretary of Defense Robert McNamara attempted to streamline and modernize the management and operation of the Pentagon. Any initial confidence that President Kennedy might have placed in the JCS was quickly eroded as a result of what he perceived as bad policy advice on the Bay of Pigs invasion in April 1961.

Relations between the JCS and the president improved from Johnson through Ford. During the Johnson administration, relations warmed a bit—especially after the disaffection and ultimately the resignation of Secretary of Defense McNamara in 1967—when the president increasingly became dependent upon the JCS for policy advice on the Vietnam War. Even before this occurrence, however, there is some evidence of President Johnson’s more favorable tilt toward the Department of Defense, if not directly to the Joint Chiefs, in foreign policy making. Under Presidents Nixon and Ford and when Melvin Laird was secretary of defense, the Joint Chiefs was clearly in the ascendancy in terms of influence, even though it did not apparently shape the critical policy positions during those years.

Under the Carter and Reagan administrations, the situation changed once again and reliance on the JCS fluctuated. Carter’s major policy decisions on troop withdrawals from Korea and the scrapping of the B-1 bomber were adopted with minimal JCS involvement. By contrast, the Reagan administration appeared initially to be more receptive to the views of the JCS. At one point in his administration, President Reagan reportedly sent written praise to the Joint Chiefs for its policy advice. Despite such praise, policy making for the Reagan administration was largely located elsewhere within the executive branch and the Department of Defense.

Second, each Joint Chief’s commitment to his own service has reduced combined policy impact. That is, each JCS member has the responsibility of managing his own military service as well as advising the president and the secretary of defense through the Joint Chiefs structure. In the estimate of one defense analyst, this individual service responsibility consumes an important portion of Joint Chiefs’ time and diminishes their combined foreign policy formulation role. The divided loyalties among JCS members also produces policy differences within the Joint Chiefs themselves, and, in turn, policy recommendations reflect a compromise position among them which may not be vigorously supported by all members.

Indeed, criticisms of the Joint Chiefs’ recommendations have been particularly harsh. President Jimmy Carter’s secretary of defense, Harold Brown, for instance, characterized the advice from the JCS as “worse than nothing.” Another former high-ranking Pentagon official labeled it as “a laughingstock.” Yet a third official—a former aide to Brown—said the advice was like a “bowl of oatmeal.” Despite President Reagan’s praise of the
JCS, Secretary of Defense Caspar Weinberger rejected or ignored the advice of the Joint Chiefs on such major issues as the basing mode for the MX and on the requirements of the Rapid Deployment Force. Perhaps even more telling regarding the weakened influence of the JCS was President Reagan’s failure to even remember the name of the chairman of the Joint Chiefs during a major portion of his administration. When testifying during the Iran-Contra trial of John Poindexter, President Reagan was asked if he recognized the name of John Vessey, chairman of the Joint Chiefs during much of his term in office. While he said that the name sounded “very familiar,” he could not be certain as to who he was.

Policy-making Reforms. In the Defense Reorganization Act of 1986 (also known as the Goldwater-Nichols Reorganization Act, after its congressional sponsors), Congress changed the power and authority of the Joint Chiefs of Staff to address these problems. In effect, the changes reduced the clout of the individual services in policy recommendations and increased the impact of the JCS as a whole.

One key change was to give more power to the chairman in policy formulation and recommendation. The chairman (and not the Joint Chiefs as such) was designated as the president’s primary military advisor, and he was responsible for providing the executive with the range of military advice on any matter requested. Thus the chairman would not have to “water down” his recommendation to accommodate his JCS colleagues. The chairman also assumed statutory responsibility for preparing strategic military plans, future military contingency plans, and budget coordination within the military itself. Finally, the Joint Staff reported directly to the chairman, as did a newly appointed vice chairman.

A second key change was in the command structure. The unified commanders, those responsible for coordinating the four different services operating in a particular region of the world, gained much greater authority. Under the previous arrangement, the individual services retained substantial authority in directing forces, but, under the reorganization, new authority now rested with those directing multiservice operations, greatly increasing the integration of forces across the branches.

In fact, the Goldwater-Nichols legislation has been characterized as “the most important piece of military legislation...in the last forty years...[and] the most dangerous.” In this view, the reorganization was important because it enhanced the power of the JCS chairman, but it was dangerous because it challenged civilian control of the military. This concern was seemingly given support with the appointment of General Colin Powell as chairman of the Joint Chiefs of Staff during the Bush administration.

Described as a “military intellectual,” who took a “pragmatic and collegial approach” to policy making, General Powell was well versed in all aspects of national security policy. Aided by the legal basis for policy influence offered by the Goldwater-Nichols Act, Powell was thus in a position to “become the most influential JCS chairman in U.S. history.” Indeed, Powell was soon appointed to a new executive defense committee established by the secretary of defense and became a key influence on policy formulation. Significantly, of course, he played a central role in designing the
American response to Iraq’s intervention into Kuwait, including the resulting American buildup in Saudi Arabia and the Persian Gulf. By one assessment, moreover, Powell was “responsible for shaping the U.S. military response in the gulf,” and his strategy of deploying “maximum force” was fully endorsed by President Bush.31

When Powell continued in office during the Clinton administration, policy analyst Richard Kohn argued that Powell was in a strong position to defy “a young, incoming president with extraordinarily weak authority in military affairs” in policy making, as he initially did over Bosnia. Further, he would be in a position to invite “resistance all down the line.”32 In this way, traditional civil-military relations might be transformed with greater military influence. Yet as Powell pointed out after his retirement from the JCS chairmanship, any perceived crises in civil-military relations simply did not exist: “[T]hings were not out of control...Presidents Bush and Clinton, and Secretaries Cheney and Aspin, exercised solid, unmistakable control over the Armed Forces and especially me.”33 Nonetheless, the JCS chairman’s power and influence increased with the passage of Goldwater-Nichols.

Powell’s successor during the first term of the Clinton administration, General John Shalikashvili, also benefited from Goldwater-Nichols. Although Shalikashvili lacked the significant political background of Powell in Washington (although he served as an aide to Powell in 1991 and 1992 and acted as a representative to the Department of State for Powell on occasions34), he had directed two politically sensitive military operations successfully before he assumed the chairmanship: one in aiding the Kurds in northern Iraq after the Gulf War, the other in planning possible airstrikes in Bosnia in 1992 and 1993 as NATO commander. Importantly, both operations put him in good stead with an administration weak on political-military background and interested in solidifying its policy in Europe and the Middle East. As such, Shalikashvili soon proved to be an important policy participant in the Clinton administration’s policy making over Haiti and Bosnia in 1994 and 1995 and an articulate spokesperson for the administration on Capitol Hill. In short, the chairman of the Joint Chiefs had begun to play a more central role in policy making, even for an administration whose first secretary of defense (Les Aspin) sought to rely more on civilian leadership within the Pentagon.35 Increased military involvement “has even strayed into the legitimate territory of the Office of Secretary of Defense (OSD)” and will likely continue for the foreseeable future, moreover, especially when adequate civilian strategists and civilian leaders do not exist.36

The Secretary of Defense

After the Office of the Secretary of Defense and the Joint Chiefs of Staff, the third policy advisor within the Department of Defense is the secretary himself. Over the postwar years, the secretary’s role in policy making has been enhanced considerably. As the secretary’s control of the department increased through the reform acts of 1953 and 1958, and as the confidence of presidents in their secretaries of defense rose, the influence of the office in
foreign policy making expanded. Two analyses challenge this view and contend that the powers of the secretary of defense are less than the responsibilities of the office and that the relative influence of the secretary can be easily overstated. While noting the cautionary signs that have been raised over the power of the secretary of defense, a good case can still be made that the secretaries of defense on particular issues, and in recent administrations, have often commanded as much influence as the secretary of state. A brief survey of the most important occupants of this post seems to support this view.

Past Influential Secretaries. The most influential of the eighteen secretaries of defense since 1947 has been Robert McNamara, who was secretary of defense throughout President Kennedy’s years in office and for most of President Lyndon Johnson’s term. With his close ties to both presidents, McNamara, more than any other cabinet officer, exercised policy influence. Given a wide mandate to modernize the Pentagon, McNamara was also allowed substantial latitude in shaping America’s strategic nuclear policy. Moreover, he was the spokesperson who announced the change in strategic doctrine in two important areas: (1) the nuclear strategy toward the Soviet Union and (2) the defense strategy for NATO. In the former area, McNamara moved the United States nuclear strategy from one of “massive retaliation,” in which the United States reserved the right of engaging in an all-out nuclear attack for an act of aggression by the Soviet Union, to one of “mutual assured destruction” (MAD). In the latter area, McNamara was instrumental in developing the strategy of flexible response for the United States and its European allies. This strategy called for the use of both conventional and nuclear forces to respond to any Soviet or Warsaw Pact aggression in Central Europe. Once again, the notion behind this strategy was to move away from simply a reliance upon an all-out nuclear response and instead to use conventional (i.e., non-nuclear) forces and short-, intermediate-, and long-range nuclear weapons in maintaining stability in Central Europe. Like MAD, this strategy remained a core element of America’s defense posture throughout the Cold War.

Harold Brown, who served during the Carter administration, continued a pattern of secretaries of defense who were increasingly influential on foreign and defense policy making. Originally one of the “whiz kids” in the Department of Defense under Robert McNamara, Brown was able to shape Pentagon policy toward his own views and toward those of the president. On such controversial issues as the B-1 bomber, the Panama Canal treaties, and SALT II, Secretary Brown was quite successful in getting the military to follow his lead. In turn, he was able to work well with the White House on several contentious policy questions. Furthermore, Brown enjoyed good relations with Zbigniew Brzezinski, the national security advisor to the president, who came to dominate policy during much of the Carter administration.

Caspar Weinberger, secretary of defense until the last year of the Reagan administration, was an equally influential participant in the foreign policy process, particularly in bolstering defense expenditures. Aided by strong support from President Reagan, Weinberger achieved virtually all his re-
quests for a conventional and strategic military buildup. Only by 1983 were the requests of the secretary and the Department of Defense for defense spending compromised.42 Still, by fiscal year 1985, the Department of Defense's budget authority reached the highest in real terms for any period in the 1980s, a total of $295 billion. In subsequent years, however, Weinberger was not as successful, with the budget declining about 3.5 percent a year from fiscal year 1986 through fiscal year 1988. Nonetheless, Weinberger had been able to move the defense budget from less than $200 billion per year to nearly $300 billion per year in a very brief period of time.43 Moreover, Weinberger's political influence lay in his close ties with President Reagan and with the president's second national security advisor, William Clark.44

President Bush's secretary of defense, Richard Cheney, was hailed by friends and adversaries as "bright, articulate, fair, unflappable, and eminently likable."45 While Cheney's policy making clout did not seem to match that of his immediate predecessors, he proved to be a competent manager of the department, where he quickly put together a plan to reduce the size of the United States military for the post–Cold War era, and an articulate spokesman for the military on Capitol Hill, where he previously served as Wyoming's representative in the United States House for six terms. He also enjoyed the support of the public. In fact, during the crisis immediately after Iraq's intervention into Kuwait and then during the conduct of the Gulf War itself, Cheney's stature rose appreciably.46 Along with General Colin Powell, he had primary responsibility for negotiating the initial commitment of United States forces to Saudi Arabia in August 1990, consulting with Congress over more arms sales to Saudi Arabia, and developing the shape of United States foreign policy in the region.

Clinton's Secretaries. Clinton's first two secretaries of defense have more mixed records in terms of policy influence. His first, Les Aspin, a congressman from Wisconsin and chairman of the House Armed Services Committee at the time of his move to the Pentagon, proved to be a better strategic thinker than a manager of the Department of Defense. Indeed, he was forced to resign by the end of the first year of the Clinton administration.47 Clinton's second secretary of defense, William Perry, was Aspin's deputy secretary. He turned out to be a much better manager of the Pentagon than his predecessor, and he also sought to weigh in on some important policy matters as well.

Despite Aspin's short tenure at the Department of Defense, he was instrumental in leaving his imprint on American security policy in the incipient years after the Cold War's end. A recognized expert on military matters who served in Congress for more than twenty years, Aspin changed from being a bit of a gadfly attacking Pentagon waste and issuing a weekly news release on defense topics to often challenging the dominant view on defense within his own Democratic party.48 For example, he supported the building of the MX missile by the Reagan administration during the 1980s and the use of force against Kuwait by the Bush administration during the 1990s. From his House committee chairmanship, too, he argued for more
modest reductions in defense spending after the Cold War (even as he called for a restructuring of forces and strategy) and supported the selective use of American military forces.

Aspin was thus well equipped as a strategic thinker to serve as secretary of defense and as a policy formulator within the Department of Defense. He did, in fact, initiate three important evaluations of America’s defense posture for the post–Cold War years during his brief tenure. His most important accomplishment was the completion of the “Bottom-Up Review,” the study that outlined United States defense strategy after the Cold War and set forth the restructuring of the military to meet the threats of the new era (see Chapter 6). In addition, he announced and set into motion the Counterproliferation Initiative—to use both prevention and protection to counteract the emerging threats from weapons of mass destruction around the world. His third major endeavor, a review of United States nuclear posture after the Cold War, was not completed until after he had left office.

Despite these major initiatives in rethinking and restructuring American security policy, Aspin resigned under fire at the end of 1993. Several factors shaped his early departure. First, his personal style and managerial ability did not endear him to the military establishment (“The high brass found his friendly, schmoozy, arm-around-the-shoulder style too casual”). If Aspin’s disheveled appearance and his informal personal style did not sit well with the military establishment, his tendency to treat the Pentagon as a “think tank,” rather than a large organization to be managed, also created suspicion. Second, he did not prove to be a skilled spokesperson for the Department. According to critics, he went on too long in trying to explain policy to Congress and the public, often confusing rather than clarifying policy and leaving the impression of being inarticulate. His explanation on Capitol Hill for failing to authorize reinforcements in Somalia prior to the loss of American lives in October 1993 produced criticism from both the executive branch and Congress. As one executive aid noted: “A couple of very important Members of Congress gave the President a very strong report. It was clear that Aspin would never have the respect on the Hill necessary for a Secretary of Defense.” Third, he had important policy differences with the president and with the military. On the issue of gays in the military, Aspin sought to follow Clinton’s position, but it cost him support in the defense establishment. Further, he differed with the president on Bosnia and tried to correct publicly a presidential statement on North Korea. In short, he was not always perceived as a team player by the White House.

William Perry, a mathematician and former under secretary of defense for research and engineering during the Carter administration, succeeded Aspin. In contrast to Aspin, Perry looked the part of the secretary of defense. More reserved and more formal, he had earned his credentials as a Pentagon bureaucrat and enjoyed the respect of the defense brass and Congress alike. Moreover, he apparently had the bureaucratic skills to manage what has been described as “the largest corporate entity in the world.” On the other hand, his political and policy making skills were suspect, and he had little background as a public spokesperson on security issues.
In all these areas, however, Perry proved to be more successful than initially predicted. In the management of the Pentagon, Perry did quite well. He tightened up the running of meetings at the Defense Department, "pushed for reforms in the Pentagon’s byzantine procurement system," sought to enhance the industrial base undergirding U.S. defense policy, and reaffirmed an emphasis on new technology to bolster America’s defense. In shaping policy, Perry worked to implement the "Bottom-Up Review" (albeit in modified form), proposed an easing in American "dual-use" technology exports to aid American businesses, and sought to develop a new concept—preventive defense—to guide future security policy. In particular, preventive defense would now be "the first line of defense of America, with deterrence the second line of defense, and with military conflict the third and last resort." In other words, the United States would not only develop programs, for example, to prevent the proliferation of weapons of mass destruction, but it would now be involved with other nations and their military organizations to promote democracy and foster understanding among nations.

As a public spokesperson, Perry emerged as more credible and effective than some had guessed. While deliberately not as visible as the Secretary of State Warren Christopher, Perry’s testimony on Capitol Hill generally won respect for his grasp of issues and clarity of presentation. Because Perry had not cut nearly as high a profile as his predecessor, he also did not garner the public reaction that Aspin did. Still, he received some criticism, including at least one call for his resignation, over the security at the Saudi Arabian military base in which nineteen American military personnel were killed by a terrorist bomb in June 1996. In particular, his handling of a defense intelligence report prior to the attack that raised security concerns produced congressional and public inquiry.

Perry’s successor in the second term of the Clinton administration, former Republican Senator William Cohen, brings a bipartisan cast to national security policy. A veteran member of the Senate Armed Services Committee and an acknowledged expert on defense issues, Cohen faces formidable challenges ahead. He must implement a new defense structure for the post–Cold War world, identify more fully the criteria for the use of American forces abroad, and build support from a skeptical Congress on the defense policy of the Clinton administration. The issuance of the Quadrennial Defense Review (see Chapter 6) is the beginning of this process.

In short, then, the debate over the size and composition of the defense budget after the Cold War continues apace. While both the Bush and Clinton administrations proposed five-year plans to reduce the size of the United States military in the face of the Soviet collapse, global events and domestic pressure often worked against those plans. While some contend that more defense cuts can be made in order to fund domestic programs and balance the budget, others warn of new and unforeseen dangers in global politics and, hence, the need for a stronger and more credible defense posture. Although this debate will undoubtedly continue for some time, one thing seems certain: The Department of Defense and the secretary of defense will continue to shape and influence American foreign policy formulation in this area.
THE INTELLIGENCE AGENCIES

The last important structure within the foreign affairs bureaucracy that we shall discuss is the intelligence community. Although the growth of America's intelligence apparatus owes much to the Cold War, the role of intelligence has hardly diminished in the post–Cold War era. Indeed, in an increasingly complex and interdependent world, the ability of policy makers to evaluate effectively the global political, economic, and social conditions may be more important than ever. With continued incidents of global terrorism (e.g., the bombing of the American housing complex at a Saudi Arabian military base), the rise of states with aggressive arms (e.g., Iraq and Iran), and the occurrence of potential ecological disasters worldwide (e.g., the destruction of the rainforests in Brazil), sound intelligence work remains as necessary—maybe even more so—than at the height of the Cold War.

While the intelligence community is often associated with the Central Intelligence Agency (CIA), it is really much more comprehensive than that single agency. There are intelligence units within the Department of Defense, the Department of Energy, the Department of the Treasury, the Federal Bureau of Investigation, and the Department of State. Each of these intelligence units concentrates on various aspects of information gathering and intelligence analysis. Within the Defense Department, for example, the Defense Intelligence Agency (DIA) operates services as do the intelligence agencies within each branch of the military.  

The Department of Defense also has three other intelligence agencies under its organizational structure. First, the National Security Agency (NSA) has responsibility for gathering signal intelligence from a variety of electronic and nonelectronic sources from foreign countries, breaking transmission codes of these sources, and developing secure transmission codes for several American government agencies. Second, the National Reconnaissance Office also operates under auspices of the Department of Defense and "manages satellite reconnaissance programs for the entire U.S. intelligence community" and collects photographic, signal, and ocean surveillance intelligence. Finally, a newly created intelligence structure is the Central Imagery Office, established by the Department of Defense and CIA directives in May 1992. This office produces maps, topography, and further imagery support for the Department of Defense, the CIA, and other governmental agencies, as needed, and works closely with the Department of Defense and CIA personnel employed in similar areas. Figure 10.2 portrays some of the important components of this extensive intelligence community.

The exact size and budget of the intelligence community is difficult to estimate, shrouded as it is in secrecy within Department of Defense funding, but some estimates are available. In the early 1970s, the intelligence community consisted of about 150,000 individuals, with a budget in excess of $6 billion annually, and by 1980, the total budget grew to over $10 billion. During the Reagan administration, spending on intelligence reportedly "sharply increased...for the CIA and other intelligence activities." Indeed, the budget of the 1990s had increased threefold from the 1980s: The
Bush administration reportedly asked Congress for $30 billion in funding for intelligence activities during fiscal year 1991, and that figure represented only a "moderate increase" from 1990.\textsuperscript{64} In mid-1994, Congress inadvertently published the current budget figure for the intelligence community (about $28 billion) in a declassified transcript of a Senate hearing, and, later, a House committee reported a budget breakdown for major intelligence components—with about $3.1 billion to the CIA, $13.2 billion to NSA, DIA, and the National Reconnaissance Office, and $10.4 billion to the intelligence units of the military branches.\textsuperscript{65} By comparison, the intelligence community's budget amounts to 10 to 15 times as much as the budget for the Department of State.

As Figure 10.2 illustrates, the director of central intelligence (DCI) stands at the center of the intelligence community. The exact responsibility
of the DCI and each agency within the intelligence community was spelled out in an executive order issued by President Reagan in December 1981 and remains in effect under the Clinton administration. This order established that the DCI was responsible for developing the intelligence program and its budget and for directing the collection of all intelligence throughout the various agencies. In general, the DCI was given much greater control over intelligence matters than in the original National Security Act of 1947 or the Central Intelligence Act of 1949.

Under this order, too, the director of central intelligence was specifically designated the primary advisor to the president and the National Security Council for intelligence matters. The order also provided that the National Security Council could establish "such committees as may be necessary to carry out its functions and responsibilities under this Order." Recent presidents have used different mechanisms for implementing this order.

The Reagan administration formed the Senior Interagency Group, Intelligence (SIG-I), to advise the NSC on intelligence matters. The membership on the committee varied from time to time, but it was mainly composed of the following: the director of central intelligence, the national security advisor, the deputy secretary of state, the deputy secretary of defense, the chairman of the Joint Chiefs, the deputy attorney general, the director of the FBI, and the director of the National Security Agency. This committee, under the leadership of the director of central intelligence, was to be the principal intelligence group within the United States government and was to oversee the collection of intelligence and the implementation of any intelligence decisions by the National Security Council. Later in the Reagan administration, the National Security Planning Group, a smaller and more select group of the National Security Council, assumed responsibility for monitoring covert intelligence activities.

The Bush administration established a different arrangement. It relied upon the NSC Deputies Committee and a NSC Policy Coordination Committee on intelligence for monitoring intelligence activities. The latter interagency committee has initial responsibility over intelligence activities and is chaired by an individual appointed by the Director of the CIA, while the Deputies Committee, headed by the deputy national security advisor, has been given particular responsibility in the area of covert operations within the national security system. President Bush's directive on the organization of the National Security Council system explicitly called for "a representative of the Attorney General" to be in attendance when this committee discussed covert actions.

The Clinton administration seems to have followed the arrangements developed by President Bush. Presidential Decision Directive 2, an order that established the membership on the National Security Council committees, is silent on the actual responsibility for reviewing and authorizing covert operations, but it does specify an additional member to the Deputies Committee of the NSC when considering intelligence operations: "When meeting on sensitive intelligence activities, including covert actions, the attendees shall include the appropriate senior representative of the Attorney General." Since the congressional changes in intelligence accountability have placed increased emphasis on the legal basis for covert activities, the
the process of policy making

presence of a member of the attorney general's office is highly significant. In this connection, then, the Deputies Committee would seem to have primary responsibility over reviewing covert operations anticipated by the intelligence community.

Relative Influence in Policy Making

The policy-making impact of the CIA, and of the intelligence community more generally, stems from a central role in providing information about international issues and in evaluating different foreign policy options. Several different types of intelligence products developed by the intelligence community as a whole and by its components (i.e., CIA, DIA, etc.) enable the community to affect the policy formulation process. By one estimate, the community produces at least fifteen different intelligence products for policymakers.71 On a daily basis, for example, the intelligence community produces the President's Daily Brief and the National Intelligence Daily. These reports deal with immediate issues, using both open and classified sources for the reports. On an annual basis, the intelligence community produces its more familiar, and more comprehensive, intelligence products: the National Intelligence Estimates (NIEs) and the Special National Intelligence Estimates (SNIEs). NIEs are in-depth analyses of a particular country, region, or issue. The number of these reports completed each year varies by administration, but they range from several dozen to close to 100.72 The SNIEs, as their name implies, are special intelligence reports in response to current developments around the world. Their exact number varies from year to year, depending upon the changing global events and the tasking from the intelligence leadership. In addition to these estimates, each of the major intelligence agencies produces a variety of separate intelligence reports for use and reference by policy makers and analysts.73

The National Intelligence Council (NIC) oversees and authorizes the production of the intelligence estimates for the community as a whole (also see Figure 10.2). It is composed of CIA intelligence officers, representatives from other departments with intelligence responsibilities (e.g., State, Defense), and civilians from universities and nonprofit organizations, and is the central decision-making body on intelligence production and analysis. In turn, the National Foreign Intelligence Board—the heads of the principal components of the intelligence community as outlined in Figure 10.2—"review[s] and approve[s] each estimate before it is published and sent to the president and other top officials."74

Despite these numerous reports and analyses, the intelligence community's effectiveness in the policy process remains difficult to gauge because of the secrecy surrounding its role and its activities. Since policy makers are heavily dependent upon the intelligence community for information about policy options, a reasonable inference is that its influence is quite substantial. Yet assessments of the intelligence community's analytic capabilities vary widely.

Acclaim for Its Policy Assessments. Marchetti and Marks, two severe critics of the CIA generally, nevertheless hint at the quality of its intelligence es-
timates. While CIA estimates on relative U.S.–USSR strength during the Cold War were not always successful in shaping policy and were subject to abuse on occasion, they argue, these estimates often served as a counterweight to the influence of the military planners in debates between the president and Congress. These analysts also point to the success of the agency in gathering intelligence leading to the showdown with the Soviet Union over missiles in Cuba in 1962.  

Others also point to the utility of the CIA’s analytic assessments as well. One analyst points to the accuracy of its estimates during the early policy making on Southeast Asia—although the CIA’s recommendations were not always followed by presidents and their advisors. The CIA also reportedly assessed the situation in the Middle East correctly just prior to the outbreak of the Six-Day War in 1967. Policy makers, however, were unable to take effective action to prevent the war’s occurrence. Furthermore, the intelligence community painted a grim picture of the Soviet economy near the end of the country’s existence, characterizing it as in a “near crisis,” and pointed out that some modest decline in Soviet military spending had occurred. Such estimates undoubtedly assisted policy makers in deciding on the degree of United States support to provide for perestroika in the USSR.

Other threads of evidence also have emerged that point more directly to the policy influence of the CIA in different regions of the world. Prior to the fall of the Shah of Iran in 1979, for example, the CIA reportedly exercised considerable influence over United States relations with Iran. Because the CIA assisted in establishing the Nicaraguan Contras, the forces opposed to the Sandinista regime, and because those forces were a key element in American policy toward Nicaragua throughout much of the 1980s, the intelligence community enjoyed a leading role in the formulation of policy in the area. Indeed, both the Department of State and the Department of Defense deferred to the intelligence community on this issue for a time, leaving policy largely to the CIA and to key White House allies. Even after Congress cut all American military assistance to the Contras in October 1984, we now know, in light of the Iran-Contra investigation, that the CIA and National Security Council operatives, such as Admiral John Poindexter and Oliver North, remained active in supporting the Contras. Yet a third area where the intelligence community played a pivotal role in policy was aiding Afghanistan after the Soviet invasion in late 1979. The CIA ran an arms smuggling operation there for several years until the Soviets finally abandoned their effort in that country.

**Criticisms for Its Policy Assessments.** At the same time, the intelligence community has been the object of severe criticism by presidents and others both for the quality of its intelligence and for its efforts to shape foreign policy. President Kennedy, in particular, lost confidence in the CIA over its policy recommendations that led to the ill-fated Bay of Pigs invasion. As a result, Kennedy was later reluctant to accept fully the agency’s intelligence advice and options on Southeast Asia or the Cuban Missile Crisis. Instead, he sought advice from other agencies and individuals to assist him in policy making. Later in the 1960s, the CIA was criticized over the loss of the intelligence ship, USS Liberty, during the Six-Day War in the Middle East,
and the capture of the Navy spy ship, the Pueblo, by the North Koreans in 1968. In the early 1970s, the intelligence community again came under attack for its failure to evaluate accurately the likelihood of the Yom Kippur War between Israel and its neighbors in October 1973. In the late 1970s, too, the quality of American intelligence came in for criticism yet again. At the time that the Shah of Iran was losing power in 1978, President Carter was moved to send off a sharply worded memo to his key advisors: "I am not satisfied with the quality of political intelligence. Assess our assets and as soon as possible give me a report concerning our abilities in the most important areas of the world. Make a joint recommendation on what we should do to improve your ability to give me political information and advice." Indeed, an "Iran Postmortem" report on intelligence lapses over the Iranian revolution of 1979 noted myriad problems in assessing the internal situation of that country and in arriving at sound intelligence estimates: lack of intelligence sources near the Shah or in all the opposition groups; little discussion of CIA intelligence estimates within the bureaucracy or the airing of disagreements on those estimates; the inadequate use of publicly available sources; and conflicting meanings drawn from the words and phrases used in the intelligence estimates. Furthermore, doubts were also raised about the failure of the intelligence community to assess more accurately the Soviet military buildup of the 1970s and the strength of the Soviet economy in the 1980s.

In the 1980s and as the Cold War ended, the criticisms continued. Questionable intelligence estimates recommended the use of a grain embargo against the Soviet Union over that country's invasion of Afghanistan but failed to predict the bombing of the marine barracks in Lebanon in October 1983, which killed 241 Americans. Intelligence lapses over the changing events in Eastern Europe—whether it was over the opening of the Berlin Wall in November 1989, the sudden, violent fall of Nicolae Ceausescu in Romania in December 1989, or the initial reforms within the Soviet Union throughout 1989 and 1990—raised anew doubts about the CIA's analytic abilities. Even the successes during the Persian Gulf War of 1991 did not come without some intelligence failures: United States intelligence estimates placed the number of Iraqi forces in the Kuwait theater at 540,000, when the number was really closer to 250,000; they placed the number of mobile Scud launchers at 35, when the number totaled nearly 200; and they reported that Iraq had many chemical weapons in the Kuwaiti theater although none were found.

More dramatic was the failure of the intelligence community to predict the collapse of the Soviet Union in 1991. To be sure, the intelligence community did predict an economic slowdown in the Soviet Union, but it was not successful in predicting the economy's collapse. Nor was it successful in pointing to the political demise of the Soviet Union itself (although, in fairness, few others did so either). Still, this shortcoming, coupled with other failures, led one senator to call for the CIA's functions to be turned over to the Department of State.

Some Reasons for Intelligence Problems. Several reasons seem to account for these intelligence and policy failures. One focuses on the quality of in-
intelligence produced by CIA analysts. As one of President Bush's advisors put it with reference to the changes in Eastern Europe, the CIA is "good at analyzing trends," and "poor at predicting the timing of events in the collapse of Eastern Europe." Testifying before Congress after the bombing of the American military complex in Saudi Arabia in the summer of 1996, Secretary of Defense William Perry pointed to another limitation in intelligence analyses: "The intelligence was not useful at a tactical level. It didn't specify the nature of the threat or the timing of the threat, and therefore it was not what we might call actionable intelligence in terms of doing our planning." Another former CIA official raised questions about the adequacy of "fact-checking" by CIA analysts and the possible problem of exaggeration with the use of increasingly popular oral briefings of policymakers. More generally, a former Defense official in the Reagan administration put the concern more bluntly: "The CIA's analysts 'collect a lot of facts and organize them very nicely. But their predictions are wrong.'"

A second reason focuses on excessive reliance upon technology for intelligence assessments at the expense of human intelligence and analysis. With the increasing use of satellites and electronic interceptions of messages, for example, less reliance has been placed on agents in the field. Even those analysts who are at work are criticized as either too timid in their assessments, more interested in protecting their reputation than in taking risks, or overzealous—too often driven by ideological bias. Further, some intelligence analysts lack the necessary skills. While political analysts are plentiful, sometimes analysts with sociological and anthropological backgrounds are needed to assess more fully the changes occurring in a foreign society. Evaluating the determination of Iraq's Saddam Hussein and his Revolutionary Council to keep Kuwait as well as estimating the loss of morale on the part of the Iraqi military from the United States air war of January and February 1991 require more than electronic intelligence.

A third reason for the failure of intelligence is competition among the various bureaucracies. As one official noted: "In intelligence, what you foresee is often affected by where you work." The Defense Intelligence Agency (DIA), for example, often gives different intelligence estimates than the CIA. During the Cold War, the DIA tended to be more hawkish on Soviet intentions than the CIA, and the two agencies also sparred over estimates in particular regions (e.g., the likelihood of Soviet success in Afghanistan) or particular weapons systems (e.g., the capabilities of Soviet air defenses) in the past. Such competing estimates will occur more frequently today, when more diverse actors and issues complicate global politics than they did during the Cold War. Under these circumstances, intelligence estimates sent to policymakers may simply become "compromises" between or among several intelligence bureaucracies.

Yet a fourth reason is the structure of leadership within the intelligence community. The director of CIA is also the head of the intelligence community, which cuts across many different foreign policy bureaucracies. Therefore, the degree to which the director can be an honest broker among these bureaus has been called into question, whether in distilling intelligence estimates or in assigning areas of responsibility. Indeed, the need for separating these two roles has been recommended as an important necessary
reform, although recent pressures seem to call for more centralization of control by the director. Nevertheless, the result of all these organizational concerns has been that the intelligence community’s “product” has not always been as useful as it might be.

The Aldrich Ames Case and Pressures for Reform

Despite these internal analytic problems, the event that most startled the intelligence community came with the 1994 public revelations that a Soviet/Russian mole was operating in the Central Intelligence Agency. Aldrich “Rick” Ames, a Soviet counterintelligence agent in the CIA, was arrested in February 1994, plea-bargained for life imprisonment for himself (but a lesser sentence for his wife), and was quickly convicted of spying for the Soviet Union during the previous nine years. In the course of his lengthy espionage, however, Ames had shared literally hundreds of highly classified documents with the Soviet Union and identified a number of individuals from the Soviet and its allies who were working for the CIA. Ten of those identified were subsequently executed by the Soviets, and dozens of others were imprisoned.

Both immediate and long-term damage flowed from this case for the intelligence community. First, Ames’s lengthy espionage contributed to a flawed perception of the Soviet Union by the American intelligence community during the crucial years at the end of the Cold War. After the Soviet agents working for the United States were executed, for instance, the Soviet Union was able to use a series of double agents to feed false and misleading information to the United States about Soviet military strength. By one estimate, at least ninety-five American intelligence reports, derived in part from the false information, were sent to the highest governmental officials without warning them of their possible flawed sources. In the words of John Deutch, director of Central Intelligence, the false intelligence reports could have “influence[d] U.S. military research and development and procurement programs costing billions of dollars.”

Second, the amount of intelligence damage to United States interests may never be known. Ames provided an enormous amount of intelligence to the Soviet Union—“by far the worst breach of security in the intelligence agency’s history”—and investigators have still not been able to piece together the extent of the damage. While Ames was required by his plea-bargain agreement to cooperate fully with intelligence officials, under subsequent questioning, he claimed that he could not remember everything that he revealed because he was always drunk when he met with his Soviet handlers. Yet, almost every time he took a lie-detector test after his conviction, he failed to pass it.

Third, the Ames case shook the foundations of the internal workings of the intelligence community and raised the question over whether the intelligence community “culture” went too far to protect its members. As the subsequent investigations revealed, Ames had long had a serious drinking problem, received poor performance ratings, violated intelligence procedures (e.g., meeting with Soviet agents and not reporting the incidents, leaving his safe open at CIA headquarters), and appeared to be living beyond his
government salary (e.g., paying cash for a half-million-dollar home and driving a Jaguar). While some of Ames’s failings were recognized, little was done to address them.  

Fourth, while Congress had already sought to reform the intelligence analysis operations at the end of the Cold War and to address some of the problems discussed earlier, the Ames spy case produced a firestorm reaction from Congress and fueled anew calls for intelligence reform. Indeed, members of the House and Senate intelligence committees criticized the operation of the intelligence community and called for a substantial overhaul of its operation. Importantly, in passing the intelligence authorization bill for fiscal year 1995, Congress set up a bipartisan Commission on the Roles and Capabilities of the United States Intelligence Community to examine the future of the intelligence community.

Finally, the Ames case sparked several internal intelligence community investigations and led eventually to the resignation of James Woolsey as CIA director. Woolsey undertook three different kinds of investigations within the CIA—one to improve security procedures, a second to evaluate the damage that Ames had done, and a third to assess the quality of the operational supervision of Ames over his career as well as the merit of the investigation prior to his capture. Virtually all the reports turned out to be unflattering to the operation of the CIA. Spurred by these internal reports, Woolsey outlined a series of steps to begin overhauling security operations as early as July 1994, only a few months after Ames’s arrest. In particular, he recommended improving personnel security by greater sharing of information among various subunits, so that suspicious behavior would not fall through the cracks, and working to change the organizational “culture” within the intelligence community that often seeks to protect members from suspicion or investigation. However, when Woolsey subsequently announced that only letters of reprimand would be issued to eleven CIA officers over the Ames affair, the criticisms in Congress and within the CIA erupted. By the end of 1994, Woolsey quietly resigned, and John Deutch, a former Pentagon official, took office as his successor in 1995, with the promise, once again, to reform the intelligence community. A similar task now faces Clinton’s latest appointee as CIA director, George J. Tenet.

CIA “SPECIAL ACTIVITIES” AND POLICY INFLUENCE

While the analysis side is a crucial component of the intelligence community, it is not the only one. The other “side” of the intelligence community consists of covert operations. This side of the intelligence community, too, has been increasingly criticized for its lack of accountability and control and for its considerable influence on the direction of American foreign policy. As a post–Cold War approach has emerged, critics have more frequently called for the elimination of these operations, on both policy and ethical grounds. These activities are not effective, and they are inconsistent with the ethical standards of the American people.
American covert intelligence operations, or "special activities" as they are euphemistically called, are far more numerous than we often think, and they form important aspects of foreign policy making. These activities have included propaganda campaigns, secret electoral campaign assistance, sabotage, assisting in the overthrow of unfriendly governments, and, apparently, even assassination attempts on foreign officials. Clandestine military forces sent into Iraq to hunt down mobile Scud missile launchers during the Persian Gulf War illustrate one recent type of covert action, while funneling campaign money by the United States to the Nicaraguan opposition in its 1990 electoral battle with the Sandinistas represents another.

Many times, too, these covert activities involve counterintelligence activities, activities "concerned with protecting the government's secrets." Part of this work involves such mundane efforts as classifying sensitive documents to keep them out of the public domain and providing adequate physical security for American secrets. Yet, part of counterintelligence also involves infiltrating the intelligence services of foreign governments, subverting and blackmailing agents through unethical means (e.g., creating compromising situations for foreign agents), and using measures to thwart the techniques that are being used against the United States.

Such covert (and not so covert) operations immediately raise questions about their compatibility with democratic values and how accountable the agents are for their actions. The public has often been divided on the wisdom of such activities and has expressed this uneasiness in public opinion polls. In 1995, for example, 48 percent of the public thought these activities were acceptable but 40 percent did not. For most administrations in the post–World War II years, however, such ambivalence has apparently not mattered. Covert activities have been widely used and, as we shall see, have stirred serious concerns about their accountability to policy makers and the American people.

**Origins and Usage of Covert Operations**

Under the National Security Act of 1947, the CIA was not only authorized to collect intelligence, but it was also authorized "to perform such other functions and duties related to intelligence...as the National Security Council may from time to time direct." By successive directives from the NSC and succeeding presidents, it has continued to hold that imperative. In President Reagan's 1981 executive order (and still the one operating during the Clinton administration), these covert operations were defined as "those activities conducted in support of national foreign policy objectives which are planned and executed so that the role of the United States government is not apparent or acknowledged publicly, and functions in support of such activities, but which are not intended to influence United States political process, public opinion, policies, or media, and do not include diplomatic activities or the collection and production of intelligence or related support functions." As this directive suggests, the mandate is broad and open-ended.

The appeal of these measures to various presidents has been unmistakable: "Clandestine operations can appear to the President as a panacea, as a way of pulling the chestnuts out of the fire without going through all the
effort and aggravation of tortuous diplomatic negotiations. And if the CIA is somehow caught in the act, the deniability of these operations, in theory, saves a President from taking any responsibility—or blame.” These activities, then, are not designed to be traceable to the White House.

The use of these activities has indeed been substantial during the postwar years, even if the exact number is not readily available. In its final report in 1977, the Senate Select Committee on Intelligence Activities (the Church Committee, named after its chair, Senator Frank Church of Idaho), which investigated the covert activities of the CIA over the postwar period, hints at the broad usage of these activities over the years and provided some figures as well:

...covert actions operations have not been an exceptional instrument used only in rare instances.... On the contrary, presidents and administrations have made excessive, and at times self-defeating, use of covert action. In addition, covert action has become a routine program with a bureaucratic momentum of its own.111

Between the years 1949 and 1952, the Church Committee reported that some 81 projects were approved by the director of central intelligence. In the Eisenhower administration, 104 covert operations were approved; in the Kennedy administration, 163; and in the Johnson administration, 142.112

Yet the exact totals go well beyond these numbers, as evidenced by a 1967 CIA memorandum that noted that only 16 percent of the covert operations received approval from a special committee to monitor them. By yet another estimate, several thousand covert actions were undertaken from 1961 on, with only a small percentage (14 percent) receiving review by the National Security Council or its committees.113 Along with the number of activities, the justifications for undertaking covert operations have greatly expanded, “from containing International (and presumably monolithic) Communism in the early 1950s, to merely serving as an adjunct to American foreign policy in the 1970s.”114

Covert operations, moreover, was an important instrument of foreign policy for the Reagan administration and remained so for the Bush and Clinton administrations. As former National Security Advisor Robert McFarlane has noted, the United States must have an option between going to war and taking no action when a friendly nation is threatened. In McFarlane’s view, there must be something available between “total peace” and “total war” in conducting foreign policy.115 Covert activity seemed to fit that middle category for a number of American administrations, including the Bush and Clinton administrations. Since President Bush served for a time as the director of the CIA in the 1970s, he was particularly attuned to the role that covert operations can play in providing another foreign policy alternative for the United States. Brent Scowcroft publicly endorsed covert actions several years before serving as Bush’s national security advisor: “In many cases, covert action is the most effective, easiest way to accomplish foreign policy objectives. It is only effective if it remains covert.”116 There is little evidence to suggest that this view does not continue during the Clinton administration, as Congress in 1995 approved a contingency fund for covert operations generally and another fund solely for use against Iran eventually was established as well.117
Accountability and Covert Actions

The Church Committee Report and several other investigations questioned the degree of political accountability for these covert operations. Because the lines of accountability were not always operating, and because the CIA often carried on special activities without the full approval of the rest of the government, and particularly the White House, the agency's influence on policy was substantial. In effect, the agency could seemingly shape foreign policy.

These discretionary powers were in operation from the beginning of the agency. In the initial 1947 NSC directive for covert operations (NSC-4), no formal guidelines were established to approve or coordinate these activities. The only requirement was that the director of central intelligence would be certain, "through liaison with State and Defense, that the resulting operations were consistent with American policy." Up to 1955, for instance, there were still no clear procedures for approval of CIA covert operations. At best, the National Security Council required that consultation take place with the Department of State and the Department of Defense, although formal consultation with the president or his representative was not required. In fact, during the period from 1949 to 1952, the director of central intelligence apparently granted approval for covert operations without assistance.118

Even when clear NSC directives were issued for committee approval of covert operations (beginning in 1955), the procedures were not without some loopholes. As a CIA memorandum in 1967 reports:

The procedures to be followed in determining which CA [covert action] operations required approval by the Special Group or by the Department of State and the other arms of the U.S. government were, during the period 1955 to March, 1963, somewhat cloudy, and thus can probably best be described as having been based on value judgments by the DCI [Director of Central Intelligence].119

Although new directives were issued in 1963 and 1970, slippage in accountability remained. Not all covert actions were discussed and approved by the new NSC committee, the Forty Committee (a committee established to review and monitor covert operations). Nor were the covert action proposals always coordinated with the Departments of State and Defense.120

Coupled with this weakness in executive branch accountability for CIA activities was the lack of any greater accountability by Congress during the bulk of the post–World War II years. Although in principle the Armed Services and the Appropriation Committees in the House and the Senate had oversight responsibility (and the CIA argued that it reported fully to the appropriate subcommittees), in practice, the CIA was under only "nominal legislative surveillance" throughout much of the Cold War period.121 Chairs of these committees did not want to know of, or did not make concerted efforts to monitor, CIA activities. Further, Congress, as a whole, seemed reluctant to inquire significantly into intelligence activities.

One analysis has dubbed this inaction on the part of Congress a result of the "buddy system," a cozy relationship between top CIA officials and the several "congressional barons," usually key committee chairs or ranking minority members in the House and Senate Armed Services and Appropriations Committees.122 Such members as Senators Richard Russell (D-
Georgia) and Leverett Saltonstall (R-Massachusetts) and Congressmen Carl Hayden (D-Arizona), Mendel Rivers (D-South Carolina), and Carl Vinson (D-Georgia) did not always want to know about all CIA activities or, at least if they did, they were able to squelch any attempts to let knowledge of these activities get beyond a small group. As a result, CIA covert activities were at best shared with a small congressional constituency whose inclination was not to challenge or disrupt any “necessary” CIA activity.

What such procedures allowed was that the CIA could by itself begin to shape, although perhaps not direct, American foreign policy. Without adequate accountability or control, the CIA could take actions that might be outside the basic lines of American policy or, at the very least, might create difficulties for the overt foreign policy of the United States. This latter problem in particular arose once covert actions were revealed. In this sense, the foreign policy influence of the intelligence community through the use of its covert side could be quite substantial. The exact significance of the CIA’s influence cannot be fully determined, owing once again to the secrecy surrounding its operation.

The Hughes-Ryan Amendment

By the early 1970s, several key events weakened this congressional acquiescence to CIA covert operations and ultimately produced more congressional oversight. First, the Bay of Pigs attack against Castro’s Cuba in 1961, almost solely a CIA-designed operation, proved to be a fiasco. As a result, President Kennedy became increasingly suspicious of reliance on that organization in policy formation. Second, the Vietnam War produced a large increase in CIA covert operations which, in turn, stimulated more congressional interest in these kinds of activities. Third, investigations over America’s involvement in destabilizing the government of Salvador Allende raised questions about CIA activity abroad, too. And finally, the “Watergate atmosphere” of 1972–1974 emboldened Congress to challenge executive power across a wide spectrum, including intelligence activities.123

The first result of this new congressional interest was the Hughes-Ryan Amendment. Sponsored by Senator Harold Hughes (D-Iowa) and Representative Leo Ryan (D-California), this amendment to the 1974 Foreign Assistance Act began to impose some control on the initiation and use of covert activities. Its key passage is worth quoting in full:

No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress.124

Thus this amendment required that the president be informed about covert operations (hence eliminating the “plausible denial” argument for the executive) and that he must certify that each operation is “important to the national security of the United States.” Further, the amendment directed the president to report, “in a timely fashion,” any operation to the “ap-
propriate committees of the United States Congress. Under this provision, eight committees needed to be informed: the Committees on Armed Services and Appropriation in the House and the Senate, the Senate Foreign Relations Committee, the House Foreign Affairs (now, International Relations) Committee, and, later, the Senate and House intelligence committees established in 1976 and 1977, respectively.

In addition to these new reporting requirements under the Hughes-Ryan amendment, two separate investigations by the executive and legislative branches recommended several other changes in the monitoring of intelligence operations. An executive-ordered inquiry into intelligence activities in 1975 (the Rockefeller Commission) and a legislative inquiry by the Senate in 1975 and 1976 (the Church Committee) recommended several substantive and procedural changes in the operation of the Central Intelligence Agency, especially regarding covert operations. New legislative acts were proposed for gaining greater oversight of the CIA through joint or separate intelligence committees in Congress, through the establishment of an intelligence community charter by Congress, and through more stringent control over covert actions. The investigations also recommended consideration of a more open budgeting process, a limitation on the term of the directorship of the CIA, and the consideration of appointing a director from outside the organization.¹²⁵

Aside from the establishment of intelligence committees in each house of Congress, few of these recommendations actually became law; some reforms, however, were incorporated in executive orders issued by Presidents Ford and Carter. President Ford issued an executive order in February 1976, in which the lines of authority over covert operations were spelled out and which expressly prohibited political assassination as an instrument of American policy. Two years later in January 1978, President Carter issued another executive order on the reorganization of the intelligence community, which included some recommended reforms, too.¹²⁶ Even though few reforms were translated into statutes, the various reform proposals did have the effect of calling attention to the accountability problem of the intelligence community as a whole, and especially to its covert side. As a result, the reforms did serve to lessen the influence of the intelligence community in foreign policy making.

Furthermore, Stansfield Turner, CIA director during the Carter administration, proceeded to undertake an organizational reshuffling to increase the powers of the director and to focus more on analytic intelligence than on covert operations. Turner also initiated a reduction in personnel within the CIA’s Directorate of Operations, the bureau that handles clandestine operations. Veteran intelligence officers were dismissed from the intelligence service; by one account, over 800 members of the intelligence community were forced out by the end of 1977.¹²⁷ Not surprisingly, both of these actions were said to have hurt morale within the agency, and especially within the clandestine services.

**Intelligence Oversight Act of 1980**

Despite these efforts at greater control, the intelligence community and its allies were successful in stopping any further legislative restrictions. Most
notably, proposed legislation to establish an intelligence community charter never became law. In fact, by 1980, the intelligence community was able to persuade Congress to repeal the Hughes-Ryan Amendment and its reporting requirements and to pass legislation that was deemed more workable.

This act, the Intelligence Oversight Act of 1980, retained the Hughes-Ryan provision that the president must issue a “finding” for each covert operation, but it modified the reporting requirements of that earlier act. (An intelligence finding is a statement, later required to be a written statement, in which a covert operation is defined and in which the president has certified that the operation is “important to the national security of the United States.”) Now, the executive branch (either the director of central intelligence or the appropriate agency head) was required to report only to the Select Committee on Intelligence in the Senate and the Permanent Select Committee on Intelligence in the House. Prior notification of all covert operations, however, was now specified in the law and not simply “in a timely fashion,” as required under the Hughes-Ryan language. Further, the act also required that the executive branch report to the committees any intelligence failures, any illegal intelligence activities, and any measures undertaken to correct such illegal activities.

Some reporting discretion was also afforded to the president by two exemptions that were included in the statute. First, if the president deems that a covert operation is vital to national security, he may limit prior notification to a smaller group (the “Gang of Eight,” as they came to be called) listed in the statute: the chairs and the ranking minority members of the House and Senate intelligence committees, the Speaker and minority leader of the House, and the majority and minority leaders of the Senate. Even in these exceptional instances, though, the president must ultimately inform the entire intelligence committees “in a timely fashion.” Second, a more oblique, and potentially more troubling, exemption was also incorporated. The statute specifies that reporting of covert operations was to be followed “to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government.” While the meaning of this passage is purposefully vague, it invites the executive branch to claim constitutional prerogatives on what information it will share with the legislative branch. (And, indeed, the Reagan administration apparently invoked this exemption to defend its delay in disclosing covert operations surrounding the Iran-Contra affair.)

By this legislation, a balance seemed to have been struck between the requirements of secrecy, as demanded by the intelligence community and the executive branch, and public accountability, as sought by the United States Congress and the public. The intelligence community gained the repeal of the Hughes-Ryan legislation, which it disliked, and Congress was able to gain knowledge of covert actions prior to their occurring, except in rare instances.

The initial application of even these requirements was not without controversy, however. When it was publicly revealed, in April 1984, that the CIA was involved in the mining of Nicaraguan harbors, the Senate Intelligence Committee reacted strongly in the belief that it had not been proper-